



Date: - 05th September, 2023

To,  
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

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

Dear Sir(s)/Madam(s),

**Sub: Annual Report, Accounts together with Notice of the 22<sup>nd</sup> Annual General Meeting ('AGM') of the Company for the Financial Year 2022-23 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 22<sup>nd</sup> Annual General Meeting of the Company scheduled to be held on Thursday, 28<sup>th</sup> September, 2023 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 22<sup>nd</sup> Annual General Meeting are available on the following link:

<https://www.starcement.co.in/upload/images/files/Annual-Report-2022-23.pdf>

This is for your information and record.

Thanking you,  
For Star Cement Limited

Debabrata Thakurta  
(Company Secretary)

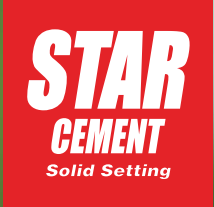


Encl: as above

**STAR CEMENT LIMITED**

Century House, P-15/1 CPT Colony, Taratala Road, Kolkata -700088. Email: kolkata@starcement.co.in  
Registered Office & Works: Village & PO – Lumshnong, P.S. Khliehriat, District – East Jaintia Hills, Meghalaya – 793210. Phone: 03655-278215/16/18. Fax Number: 03655-278217.  
Email: lumshnong@starcement.co.in. Website: www.starcement.co.in

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 CERTIFIED COMPANY.  
CIN : L26942ML2001PLC006663



STAR CEMENT LIMITED  
ANNUAL REPORT  
2022-23



# Empowering Resilience

Fuelling Operational Success

Driving Sustainable Impact

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### Investor Information

Market Capitalisation as at : ₹ 4,518.74 Crore  
31<sup>st</sup> March, 2023

CIN : L26942ML2001PLC006663

BSE Code : 540575

NSE Symbol : STARCEMENT

AGM Date : 28<sup>th</sup> September, 2023

AGM Venue : Video Conferencing ('VC')/  
Other Audio Visual Means ('OAVM')

Scan to download our  
previous year's Annual Report



For more investor-related information, please visit-  
<https://www.starcement.co.in/investor/annual-reports>

**Disclaimer:** This document contains statements about expected future events and financial of Star Cement Limited ('The Company'), 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.



# Empowering Resilience

## Fuelling Operational Success

## Driving Sustainable Impact

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The present era is characterised by intricate disruptions, stemming from various sources, and carrying long-lasting effects. To survive in this landscape and respond to these disruptions, it is imperative for organisations to be well-equipped. They are also realising that their existing risk management methods must adapt to this changing landscape. The need of the hour is to develop resilience as the foundation of operational success and to drive sustainable impact.

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Resilience lies at the heart of Star Cement's organisational philosophy. It serves as the driving force that empowers us to overcome challenges, navigate uncertainties, and emerge stronger in the face of a rapidly evolving business landscape. We have embraced a culture of adaptability, consistently redefining our strategies, processes, and technologies to stay ahead of the curve.

By optimising our operations, harnessing technology, and fostering a high-performance culture, we have achieved significant milestones. Our focus on operational excellence has allowed us to streamline processes, boost productivity, and deliver exceptional value to our stakeholders.

Our pursuit of success extends beyond financial achievements to encompass our responsibility towards the environment and the society. We are firmly committed to minimising our environmental footprint, reducing emissions, conserving resources, and promoting social welfare. Through sustainable practices, we strive to create a positive and enduring impact on the communities in which we operate.



# Driving Sustainable Impact for Our Stakeholders

We have developed a comprehensive strategy to facilitate effective engagement, thereby ensuring timely and consistent communication of pertinent information to each stakeholder group. We strive to establish and maintain trust, transparency, and mutual understanding with our stakeholders, ultimately creating long-term value for them.



## Customers

We strive to consistently deliver high-quality products and exceptional service to our customers. Our aim is to address their concerns through proactive feedback mechanisms and personalised solutions.

### Empowering Innovation Embracing Technology



WhatsApp for Business



SAP Implementation



Robust Customer Portal



Star Saathi App



Star Lotus App



Star Stellar App



Star Link App





## Investors

Recognising the importance and the expectations of our investors, we regularly provide transparent financial reporting and updates on business performance. The aim is to foster open communication to build long-term trust and maximise mutual value.

₹ 2,705 Crore

Revenue

₹ 248 Crore

Profit After Tax

10.80%

Return on Equity

₹ 6.13

Earnings Per Share

₹ 26 Crore

Total Debt



## Employees

Our employees are an integral part of the Company and we value their well-being and growth. Fulfilling our commitment towards them, we offer a safe and inclusive work environment, competitive compensation, opportunities for professional development, and meaningful employee engagement programmes.

3,983

Total Workforce

₹ 23.13 Lakh

Total Employee Training Cost

75%

Trained Employees



## Community

As responsible corporate citizens, we understand the significance of the community where we get the social acceptance to operate. The development of these communities through our corporate social responsibility (CSR) initiatives has thus become one of our prime responsibilities.

₹ 8.50 Crore

Amount Invested Towards CSR

3,80,818

CSR Beneficiaries

# Resilience, Success, and Impact

## Defining Star Cement

Star Cement Limited (hereinafter referred to as ‘Star Cement’ or ‘the Company’ or ‘We’) has emerged as a prominent player in the Indian cement industry, particularly in the north-eastern region. The Company’s remarkable growth can be attributed to our unwavering commitment to new ideas/continuous improvement. Additionally, we have also expanded our presence in states such as West Bengal and Bihar.

We are committed to offer superior quality products and maintaining a comprehensive supply chain ecosystem. All this has given us a strong brand recall. Moreover, the Company’s unparalleled dedication to uplifting the community has further solidified our reputation and contributed to our remarkable success.



### Our Vision

- ▶ To become the fastest growing and the most competitive cement Company in Eastern India
- ▶ To be respected for a high level of integrity and value
- ▶ To achieve 15 Mn metric tonnes capacity in next five years



### Our Mission

- ▶ To provide utmost satisfaction to the consumer by providing the best-quality products and better customer support
- ▶ To continuously upgrade the products through innovations and convergence of new technology and to produce the best quality at the lowest cost
- ▶ To safeguard and enhance shareholders’ value
- ▶ To respect the dignity of all employees and together become instrumental in the development of the country by protecting the environment
- ▶ To utilise the surpluses for the welfare of employees and society at large

### Driving Success with a Diverse Product Portfolio

## OPC43

Suitable for Construction

## OPC53

Provides High Strength and Durability

## PPC

Ideal for Mass Concreting and Masonry Mortars

## ARC

Star Cements Innovative Product

## PCC

Recent Addition with Premium Ingredients





## Sustainable Product Design

At our organisation, innovation drives customer satisfaction, safety, and sustainability. We offer a diverse range of high-quality cement products, including OPC, PPC, and ARC, to cater to different construction needs.

### Star Antirust Cement - Innovating Construction with Enhanced Durability

Innovative, durable, and preferred for rust-free reinforced concrete structures

#### Prevents rust

New damp proof technology with special additive forms a protective coating, doubling the lifespan of structures by reducing rusting and corrosion risk.

#### Sets faster

Unique composition enables quicker setting, saving time and enhancing project efficiency during construction.

#### Resists weather

Formulated to withstand harsh conditions, including heavy rainfall, ensuring long-term structural integrity.

#### Reduces seepage

High fineness results in a denser concrete mix with fewer voids, minimising seepage issues and improving structure quality.

#### Provides high coverage

Higher blain and fineness offer better coverage with fewer bags required per unit of construction, reducing costs and material usage.



# Our Chairman's Letter



Our voyage is a testament to perpetual transformation, with adaptability as our guiding star. Simultaneously, we steadfastly pursue the expansion of our market footprint within our current regions, while vigilantly safeguarding the vigour of our profit margins.



## ***Dear Shareholders,***

I hope this message finds you in good health and high spirits. I would like to express my deepest gratitude for your unwavering support, which has propelled the Company to remarkable heights. Despite several challenges such as those due to inflationary pressure, we have been able to clock in good financial performance, consistently maintaining positive margins. This can be attributed to our prudent strategies and capabilities and years of experience in the field, which have empowered us to remain resilient even in the face of challenges.

## Resilient performance

**We have been resilient across multiple fronts, which is evident in our robust financial performance. With consistent growth in sales, the Company has demonstrated its ability to adapt and meet evolving market demands. Furthermore, the Company has focused on the current market landscape, with strategic efforts to expand its market presence. This has played a significant role in ensuring continued achievements for the Company, thereby strengthening its standing as a pivotal industry participant.**

Star Cement Limited embarked on a remarkable journey of expansion and accomplishment, guided by enduring strategies. Through our dedication and relentless efforts, we achieved extraordinary outcomes and significant milestones in the previous fiscal year.

We witnessed a notable increase of 5.46 Lakh tons in clinker production. This marked a growth of more than 25.13% compared to 13.8% in the previous year. Cement production also experienced a surge of 19.11%, showcasing the upward trajectory of the Company.

Our financials were equally impressive, with our total revenue reaching an impressive figure of approximately ₹ 2,705 Crore, surpassing the previous year's ₹ 2,222 Crore. Despite the increase in power & fuel prices, we have maintained a steady average cost of ₹ 2.0 per Kcal for power and fuel consumption.

From the trading perspective, we registered a remarkable 89% trade volume in FY 22-23. In line with our growth objectives, we are focused on expanding our trade share by introducing new brands by the end of the second quarter of FY 23-24. This strategic move is aimed at creating a demand pull for our premium products and further strengthen our market position. Notably, we witnessed exceptional growth outside the North-east, expanding by an impressive 34%. This success has led us to realise the importance of continuously exploring opportunities outside the North-east. With the right team in place and a strong organisation, we are determined to venture into

new markets and leverage viable opportunities for sustained growth.

We have also made significant changes within the organisation to support this expansion. A new manufacturing officer, with extensive experience in production process, was appointed to oversee all plants. Moreover, the recent addition of Mr. Vinit Kumar Tiwari as the new CEO has brought valuable expertise and knowledge in the northern and eastern markets, and is expected to create exciting opportunities of growth.

## Industrial Opportunities

**With increasing developments in the infrastructure sector, the cement industry finds itself at the forefront of a multitude of opportunities. With increased investments in construction projects, including roads, bridges, and buildings, the demand for cement is poised to soar. This is a promising opportunity for the cement industry to capitalise on and further expand its reach.**





The cement sector in India is poised for remarkable growth, supported by compelling data and favourable market conditions. According to estimates by the National Council for Cement and Building Materials (NCCBM), India's cement industry is projected to witness an addition of 80 Mn tons capacity by 2025, with an aim to reach a market size of 4,832.6 Mn tons by 2028. This reflects a compound annual growth rate (CAGR) of 4.94% during 2023-2028.

India holds the distinction of being the second-largest cement producer globally, commanding an 8% share of the global installed capacity in cement production. With a staggering total of 210 large cement plants, including 77 concentrated in states like Andhra Pradesh, Rajasthan, and Tamil Nadu, the country's cement industry boasts a robust foundation for growth.

The recent budgetary allocation of ₹ 10 Lakhs Crores towards infrastructural development has further paved the way for incremental opportunities in the sector. This investment signifies the government's unwavering commitment to bolstering infrastructure, creating a ripple effect that directly benefits the cement industry. Moreover, our sector's strong linkages with other key sectors such as infrastructure, construction, housing, transportation, coal, power, and steel amplify our impact and enable us to contribute to the implementation of various

government flagship schemes and visions. Some of these include housing for all, smart cities, concrete

highways, dedicated freight corridors, clean India mission, ultra-mega power projects, and waterways. These compelling factors position India's cement industry as a catalyst for economic growth, job creation, and sustainable development.

## Tactical Priorities for Grasping the Expanding Opportunities

**Star Cement is prioritising specific actions and strategies for the Company to capitalise on the opportunities presented by a growing market/ industry. Our tactical priorities for expansion include assessing potential opportunities, leveraging premium product sales, balancing volume growth and profitability, strengthening presence in the north-east market, evaluating the utilisation of existing plants, and outlining a future expansion roadmap.**

### Evaluating Opportunities

We are also considering potential opportunities for expansion outside the north-east region, including acquiring mine or plant. Our decision on which opportunity to pursue will be based on factors like cost, feasibility, and alignment with our long-term goals.

### Volume and Profitability Growth

We aim to achieve a healthy volume growth target of around 12%-15% maintaining profitability. This underscores our commitment to balancing growth with profitability and optimising operational efficiency.

### Expanding in the North-east Market

Our immediate focus is on the north-east market, where we are experiencing robust growth. Our aim is to tap into the region's growth potential and establish a strong presence before expanding outside.

### Utilisation of Siliguri Plant

We plan to utilise our Siliguri plant for production, prioritising meeting the cement demand in the north-East market. Once the new clinker plant is operational, we will explore expansion into markets outside the north-east to bridge volume gaps.



## Commitment to robust ESG practices

At our organisation, we place a strong emphasis on building trust and nurturing relationships with our stakeholders, including employees, suppliers, customers, and community groups. To foster eco-efficiency among these stakeholders, we organise various engagements, such as the 'Beat the Plastic Pollution' initiative, which promotes responsible plastic disposal. This reflects our commitment to social responsibility and sustainability.

In our commitment to sustainability, we are investing approximately ₹ 150 Crore in a 12-MW waste heat recovery (WHR) plant in Meghalaya. Additionally, we have embraced the use of biomass to decrease our reliance on conventional fuels, with a strong emphasis on reducing CO<sup>2</sup> emissions. By creating a green belt through extensive tree plantation, we are enhancing the ecological surroundings of our plant. Our pollution control measures include the installation of equipment such as Electrostatic Precipitator (ESP), Reverse Air Bag House (RABH), and bag filters, along with the implementation of online dust and gaseous monitoring systems in associated stacks. This ensures effective monitoring and mitigation of particle emissions into the air.

Recognising the importance of social development, we actively contribute to education programmes for marginalised and tribal communities, with a focus on improving health, and livelihoods and alleviating poverty. Furthermore, we conduct knowledge-based programmes to minimise risks for our suppliers, promoting fair and ethical procurement practices throughout our operations. Our commitment to reducing our carbon footprint is evident through our investments in state-of-the-art products and production methods, which support global efforts to address climate change.

Also, our investment in an inclusive and safe workplace has made Star Cement a great place to work. Our 'Star Sujhaav' ideation programme fosters innovation, enhancing efficiency and customer value. We prioritise a customer-centric approach by developing digital solutions for effective collaboration with stakeholders, including WhatsApp for Business, Star Lotus App for contractors, Star Saathi App for dealers, and Star Stellar App for loyalty programmes and interactions.

## Conclusion

I am immensely proud of our achievements and the path we have paved for a successful future. With a dedicated focus on innovation, environmental stewardship, and customer satisfaction, we will continue to drive our business forward while creating a positive impact on the society and the environment.

Thank you for your untiring support and trust in Star Cement Limited.

With Regards,

**Sajjan Bhajanka**

Chairman





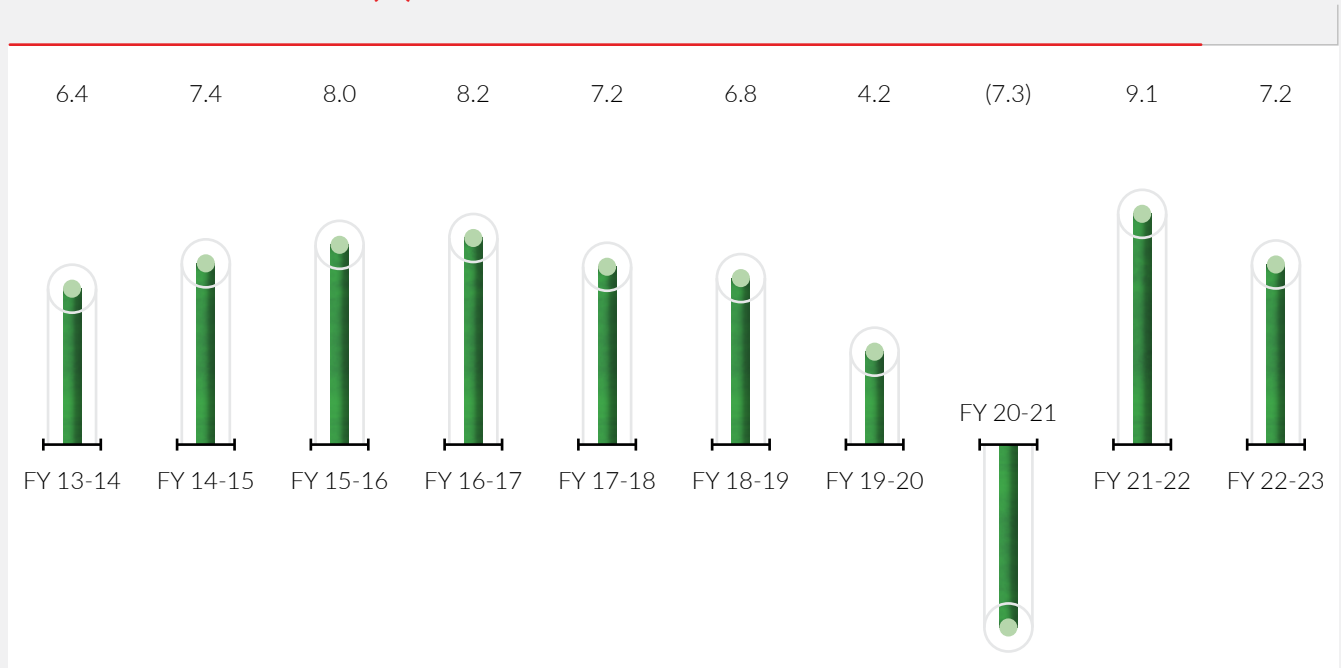
# Moving Ahead with Resilience in the Operating Landscape

As India’s economy expands, the demand for construction materials is surging, providing a fertile market for cement companies like Star Cement. The Company’s strategic positioning and commitment to innovation enable us to meet the growing needs of the construction sector efficiently. Moreover, the trend of rapid urbanisation further propels our success by fuelling the demand for residential and commercial infrastructure. This further creates a favourable environment for the Company’s sustained growth.

## Economic Growth

India is currently experiencing a remarkable macroeconomic upswing, demonstrating sustained growth and success. Despite encountering some obstacles that momentarily impeded progress, the country effectively addressed these challenges, positioning itself among the world’s fastest-growing economies. This positive trend has been observed consistently over the past couple of years, with impressive growth rates in FY 22-23. It showcases India’s potential to become one of the leading global economic powerhouses. According to the Ministry of Statistics and Programme Implementation (MoSPI), the Indian economy achieved a growth rate of 7.2% in FY 22-23, surpassing the previous estimate by 20 basis points. Additionally, India’s GDP reached a significant milestone of USD 3.75 Tn in 2023, solidifying its position as the world’s fifth-largest economy.

### India’s Economic Growth (%)



## CAPEX-led Growth

Star Cement envisions itself as a pioneer in north-east India's cement industry, striving to become one of the fastest growing and most competitive cement companies in eastern India, while upholding integrity in serving stakeholders.

The Company has planned a capital outlay of around ₹ 2,200-2,300 Crore in next 2-3 years for capacity expansion of its clinker unit with Waste Heat Recovery (WHR) in Lumshnong, Meghalaya and two grinding units in Guwahati and Silchar, Assam. The Company anticipates to commercialise this augmented capacities of clinker in Meghalaya and grinding unit of Guwahati by FY 23-24 and Silchar grinding unit by FY 24-25.

These CAPEX investments will help the Company to:



Enhance production capacity to meet the growing demand for Cement.



Diversify operations beyond the north-east region, gaining access to new eastern markets.



Optimise efficiency and productivity, leading to cost reductions and improved profitability.

## Infrastructure Push

India's cement industry is closely linked to the infrastructure sector. It is expected to play a significant role in the development of the country's infrastructure in the coming years.

- ▶ The Indian government has invested heavily in infrastructure projects in recent years, and this has led to a significant increase in the demand for cement.
- ▶ The Ministry of Railways plans to develop dedicated corridors in high-concentration cement factory areas, connecting them to raw material sources like clinker, limestone, and fly ash. This initiative will significantly reduce logistical and operational costs for the cement industry. The plan spans the next 10 years, until FY 32-33.
- ▶ The PM Gati Shakti plan, introduced in October 2021 with ₹ 100 Lakh Crores budget, aims to integrate infrastructure programmes from various ministries and state governments. It covers initiatives like Bharat Mala, Sagar Mala, inland waterways, dry/land ports, UDAN, and more. It also includes economic zones such as textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fisheries clusters, and agricultural zones to enhance connectivity and competitiveness.
- ▶ In March 2023, 156 critical infrastructure gaps were identified for intervention under the plan, including ports and the movement of commodities like coal, cement, fertilisers, and food grains. The National Infra Pipeline estimates mega projects worth ₹ 110 Tn to be monitored under the PM Gati Shakti initiative.
- ▶ India's infrastructure is expected to grow at a rate of 7% between 2022 and 2027. About 42% of projects in the National Infrastructure Pipeline are already under implementation, thanks to the government's investment of USD 1.4 Tn in infrastructure projects from 2019 to 2023. With over 40% of the population projected to migrate to cities by 2030, there will be a need for 25 Mn new dwellings.

## Rapid Urbanisation

The increase in the population residing in urban areas is leading to the growth and expansion of cities. There is a notable shift in population from rural to urban areas. This is due to various factors, including industrialisation, economic opportunities, better access to services and amenities, improved infrastructure, and social factors such as education and healthcare.

Recognising the importance of addressing the housing challenges associated with rapid urbanisation, the Government included provisions in the Union Budget FY 23-24 to tackle these issues by allocating USD 1.8 Bn for safe housing, clean drinking water, sanitation, road and telecom connectivity, and other initiatives. An additional USD 9.6 Bn was allocated to address urban housing shortages. These instances had a positive impact on the cement industry due to the demand for construction materials.

# Fuelling Operational Success with Dynamic Growth Strategies

Star Cement has developed a comprehensive set of growth strategies to achieve its ambitious growth goals. These revolve around volume growth, inorganic expansion, and maintaining profitability, all of which will contribute to the Company's continued success in the coming years.

## Strengthening the Dealer and Distributor Network

Star Cement's success is underpinned by our robust dealer and distributor network. The Company has consistently prioritised building and nurturing strong relationships with its partners, offering exceptional customer service and competitive pricing. By further enhancing this network, we aim to leverage our existing market presence and drive sustained growth.

## Focus on Volume Growth

A key component of our growth strategy is a dedicated focus on volume expansion. With a target to achieve a growth rate of around 12%-15% in volume this year, the Company aims to capitalise on our strong dealer and distributor network, as well as explore opportunities to expand sales in untapped markets. By leveraging our well-established distribution channels, we are confident about capturing a larger market share and fuel our growth trajectory.

## Pursuing Inorganic Growth Opportunities

In addition to organic growth, Star Cement actively seeks inorganic growth opportunities. The Company is actively scouting for potential acquisitions of mines and smaller plants that align with our strategic goals. By acquiring these assets, we can not only expand our production capacity but also gain access to new markets, reinforcing our position as a leading player in the industry.



## Ensuring Profitability

Star Cement emphasises maintaining a strong level of profitability. With a target to sustain profitability, the Company focuses on operational efficiency and harnesses our pricing power to maximise returns. By continuously optimising operations, controlling costs, and delivering value-added products, we aim to uphold our profitability and enhance shareholder value.

## Innovation

Star Cement recognises the importance of innovation. We have allocated significant resources towards research and development to develop new products and enhance our existing product portfolio. By embracing innovation, the Company aims to maintain a competitive edge in the market, continuously meet evolving customer demands, and drive industry advancements.

## Brand Building

Star Cement emphasises brand building as a strategic pillar for growth. Through targeted advertising, strategic sponsorships, and other impactful marketing initiatives, we seek to enhance our brand image and increase market share. By effectively communicating our value proposition and unique offerings, we aim to build trust and loyalty among customers, fostering long-term relationships and driving market penetration.

## Sustainability

Star Cement is deeply committed to sustainability and we have integrated sustainable practices throughout our operations. By actively reducing our environmental footprint, implementing eco-friendly technologies, and adopting sustainable processes, we aim to minimise our impact on the environment and contribute to a greener future. This sustainability commitment not only aligns with global environmental goals but also serves as a key differentiator, attracting environmentally conscious customers and investors who value responsible business practices.





# Driving Impact with Our Integrated Business Model

INPUTS

→ VALUE



## Financial Capital

Monetary resources utilised to create wealth

KPIs FY 22-23

**₹ 40 Crore**

Equity Capital

**₹ 2,308 Crore**

Capital Employed

**₹ 2,252 Crore**

Retained Earnings



## Manufactured Capital

Tangible assets utilised for creating the end-product

KPIs FY 22-23

**6**

No. of Plants

**3**

Grinding Units

**1**

Clinker Unit

**1**

Integrated Unit

**5.7 MTPA**

Cement Production Capacity

**2.8 MTPA**

Clinker Production Capacity



## Intellectual Capital

Intangible knowledge leveraged for developing cutting-edge/innovative solutions

KPIs FY 22-23

**3**

R&D facilities

**₹ 29.44 Lakhs**

R&D Investment\*

\* Capital Expenditure - ₹ 6.70 Lakh Revenue Expenditure - ₹ 22.74 Lakh

## Our motive...



### To become

the fastest growing and the most competitive cement company in Eastern India

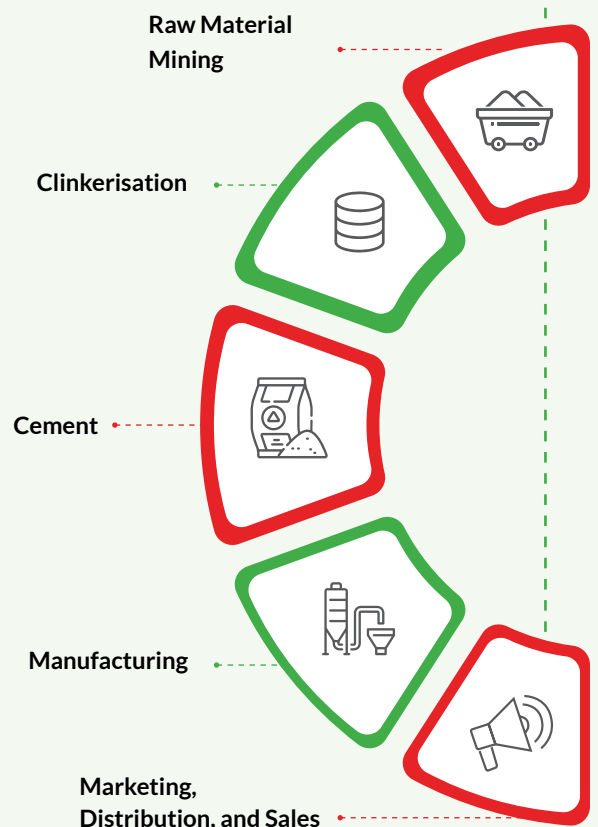
### To be respected

for a high level of integrity and value

### To achieve

15 Mn metric tonnes capacity in next five years

## Our Business Activities



SDGS Goals



CREATION

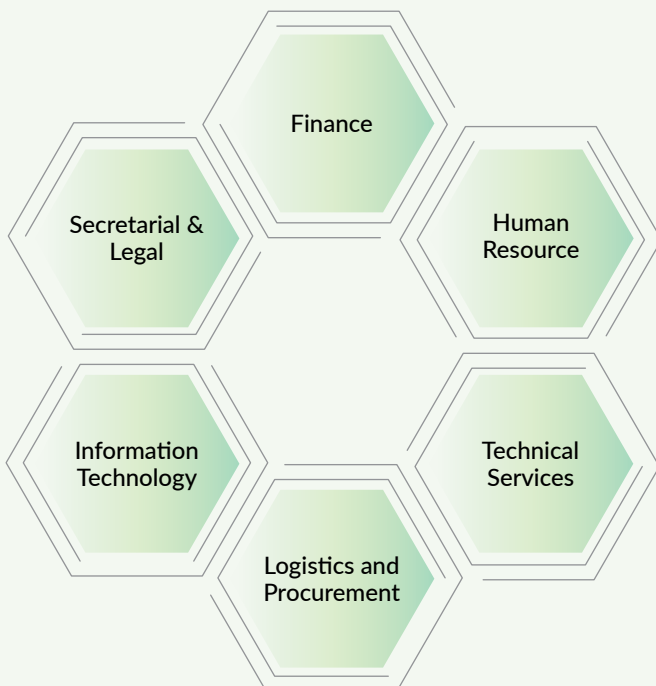
OUTPUT

We exist...



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

Support Functions to Our Business



Financial Capital

|                         |                                     |
|-------------------------|-------------------------------------|
| <b>₹ 4,518.74 Crore</b> | <b>16.87%</b>                       |
| Market Capitalisation   | Return on Capital Employed          |
| <b>10.80%</b>           | <b>₹ 380 Crore</b> <b>₹ 6.13</b>    |
| Return on Equity        | Profit Before Tax      EPS          |
| <b>₹ 248 Crore</b>      | <b>₹ 2,705 Crore</b>                |
| Profit After Tax        | Gross Sales Revenue from Operations |

SDG Goal:



Focus Areas:

- Business Strategies
- Economic Value

Manufacturing Capital

|                    |  |
|--------------------|--|
| <b>4.01 MMT</b>    | <b>~ 71%</b>                           |
| Volume Sold        | Average Capacity of Cement Utilisation |
| <b>2.72 MMT</b>    | <b>4.06 MMT</b> <b>1,81,159 MMT</b>    |
| Clinker Production | Cement Production      Power Generated |

SDG Goal:



Focus Areas:

- Capacity Utilisation
- Innovation

Intellectual Capital

|                              |
|------------------------------|
| <b>3</b>                     |
| Total In-House Brands        |
| <b>4%</b>                    |
| Share of Premium Product Arc |

SDG Goal:



Focus Areas:

- Innovation
- Product Efficiency

# Driving Impact with our Integrated Business Model

INPUTS

→ VALUE



## Human Capital

Human resource that brings the expertise on the table to operate efficiently

KPIs FY 22-23

**2,029**

Total Employees

**1,938**

Total Training Hours



## Social and Relationship Capital

Relationship with stakeholders that brings social credibility to the organisation

KPIs FY 22-23

**₹ 8.50 Crore**

Invested in CSR Activities

**2,100+**

Deal Network

**12,000+**

Retailer Network



## Natural Capital

Natural elements that have potential impact on the Company's operation

KPIs FY 22-23

**2,80,780 MW**

Energy Consumption

**26,048 MW**

Renewable Energy Consumed

### We operate...

...through

## Our Strategic Priorities

...while maintaining utmost

## Health and Safety

...to strengthen the

## Customer Trust

...to maintain continuous

## Innovation

### We create value for...



Customers



Investors



Employees



Dealers/Suppliers



Communities



Government/Regulatory Bodies

SDGS Goals



CREATION

OUTPUT

Value creating methodology for each stakeholder



Customers

Innovative offerings to fulfill customers' demands



Investors

Achieving prudent financial results to provide the best-in-class return on investment



Employees

Providing an inclusive work culture to ensure progressive career growth



Dealers/Suppliers

Be a reliable client, adding trust to negotiations



Communities

Helping build stronger, inclusive, and resilient communities



Government/Regulatory Bodies

Adhering to compliances and regulations and timely payment of exchequer

Human Capital

₹ 1.33 Crore

Revenue per Employee

487

Employee Working from 5+ Years

453

Employees Trained

14

No. of Female Managers

SDG Goal:



Focus Areas:

- » Business Strategies
- » Economic Value

Social and Relationship Capital

370

New Dealers Added

1,42,750

Lives Impacted through focused CSR Interventions

2,000

New Retailers Added

SRIJANI

New CSR Initiative Launched

SDG Goal:



Focus Areas:

- » Education
- » Healthcare
- » Social Development
- » Livelihood Support

Natural Capital

SDG Goal:



Focus Areas:

- » Climate Change
- » Circular Economy
- » Waste Management



# Driving a Resilient and Sustainable Financial Capital

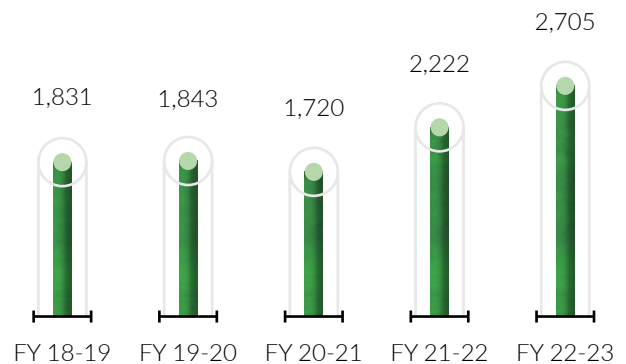


We have achieved a remarkable financial performance, even amidst challenging macro-economic hindrances. Bolstered by a series of improved strategies and relentless focus on cost optimisation, our performance soared to new heights. Our stellar performance reflect the Company's ability to adapt and thrive in the face of adversity, showcasing our resilience and unwavering commitment to success. By harnessing the power of innovation and strategic decision-making, we have not only weathered the storm but emerged stronger, setting a shining example of financial excellence.



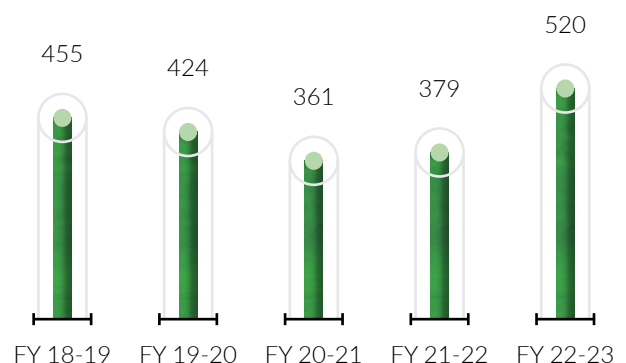
## Revenue

(₹ in Crore)



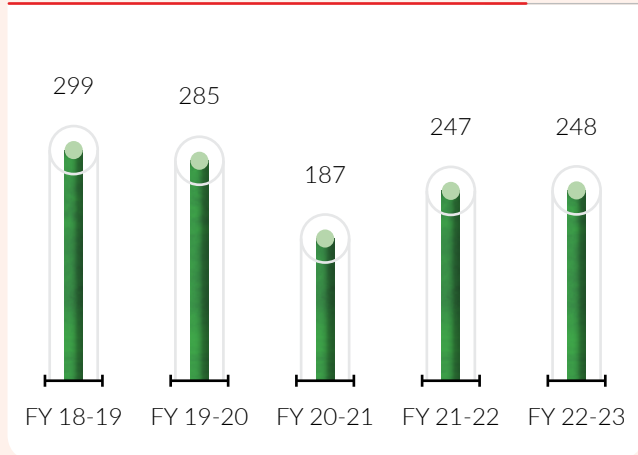
## EBITDA\*

(₹ in Crore)



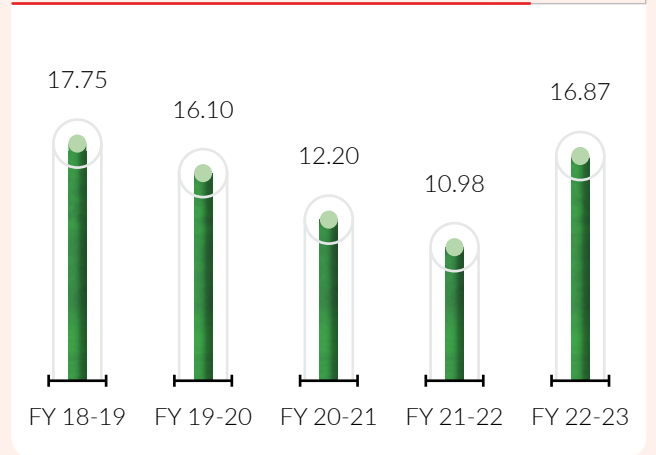
**Net Profit**

(₹ in Crore)



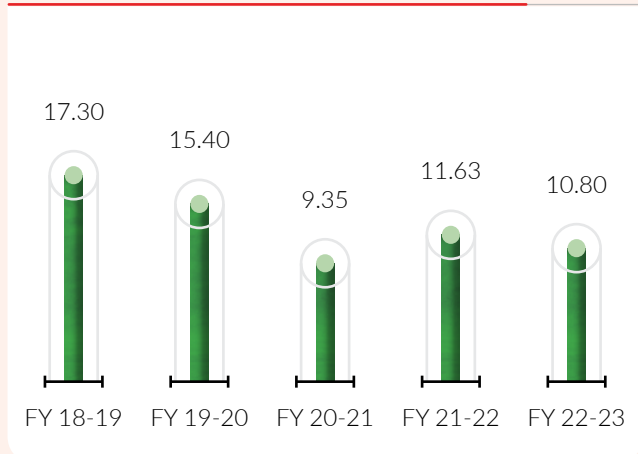
**ROCE\*\***

(%)



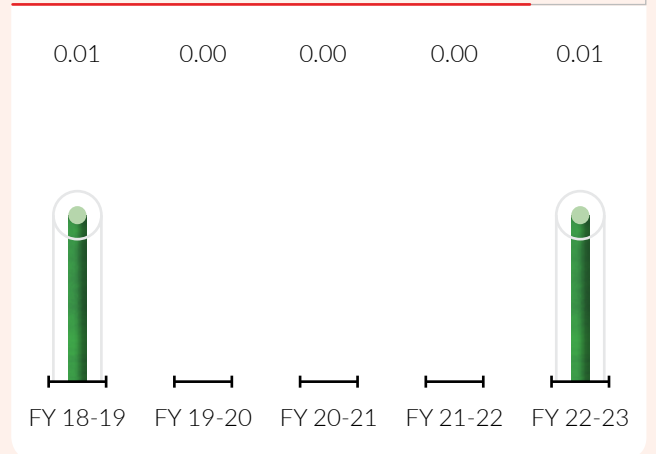
**ROE\*\*\***

(%)



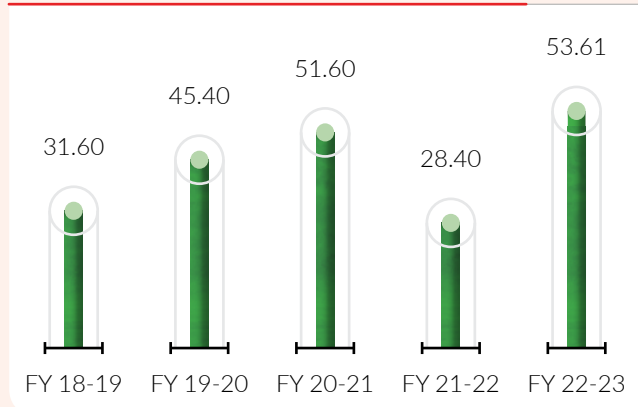
**Debt-Equity Ratio**

(X)



**Interest Cover**

(X)



\*Earnings before Interest, Taxes, Depreciation, and Amortisation

\*\*Return on Capital Employed

\*\*\*Return on Equity



# Fuelling Better Manufacturing Efficiency

At Star Cement, our manufacturing efficiency determines our overall productivity, profitability, and competitiveness in the market. We realise that efficiency in cement manufacturing is the ability to produce high-quality products while minimising resource wastage, reducing production costs, and implementing sustainable practices. Improving efficiency not only enhances the Company's financial performance but also contributes to environmental conservation and resource preservation.

## Clinker Unit

We registered a significant growth in our clinker production. In FY 22-23, the total production reached 2.72 Mn MT with 25.13% growth compared to 2.17 Mn MT in FY 21-22. Cement production for FY 22-23 surpassed 4.06 Mn MT, a 19.11% growth from the corresponding fiscal. Moving forward, we have further expansion plans in the pipeline. The Meghalaya clinker plant, with a capacity of 3 Mn tons, is scheduled to be commissioned very soon, while the grinding unit in Guwahati is set to be commissioned in November commissioned in FY 23-24. Additionally, the Silchar grinding unit is also expected to be operational within the upcoming year. Increasing the capacity of the cement clinker plant provides advantages such as meeting growing demand, enhanced competitiveness, cost efficiencies, supply chain optimisation, geographic expansion, and improved revenue growth and profitability.

# 2.67 MTPA

Total Clinker Production Capacity

## Grinding Units

Our plans for the next five years revolve around setting up a capacity of approximately 4 Mn tons in the north-east regions through the establishment of new grinding units. As part of our expansion strategy, we aim to commission the Guwahati grinding unit in the fourth quarter of FY 23-24, followed by the Silchar grinding unit, expected to be completed by FY 24-25. These strategic initiatives not only enhance operational efficiency but also position us for future growth.

# 5.67 MTPA

Total Grinding Capacity



## Thermal Power Plants

In addition to our robust cement capacity, we have established a thermal power plant generating power in our production plants. This in-house power generation capability allows us to produce electricity, reducing our reliance on external sources and providing greater control over operations and cost management. By optimising energy consumption and improving manufacturing efficiency through in-house power generation, we strengthen our position and commitment to sustainable growth.

# 51 MW

Installed Thermal Power Plant

## Responsible Mining

Limestone is the primary raw material for cement manufacturing, extracted from our captive mines with precautions for sustainable mining. The mining plan considers environmental impact, workforce wellbeing, and socioeconomic conditions, evaluated using the Star Rating System.

### Star Rating of Limestone Captive Mines

The Ministry of Mines launched the 'Star Rating of Mines' scheme in 2016 to recognise miners' efforts towards sustainable development. Star Cement's limestone mines will work to achieve a minimum 4-star rating by 2025, addressing identified gaps through structured planning and monitoring.

Khub Limestone Mine I ★★★★☆

Khub Limestone Mine II ★★★★☆

Wah Pynkon Limestone Mine I ★★★★☆

Wah Pynkon Limestone Mine II ★★★★☆

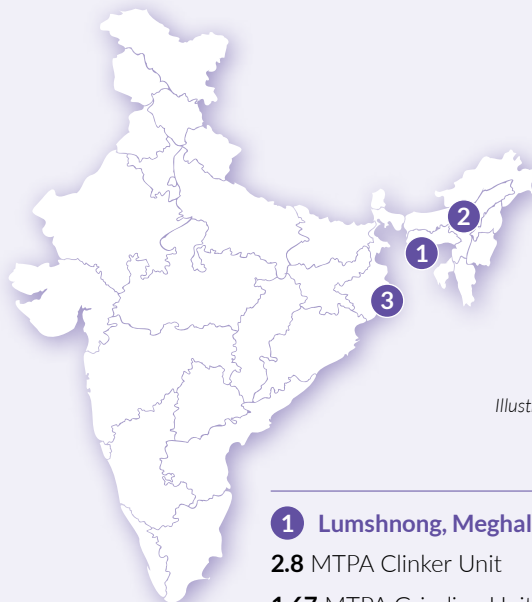
## Waste Heat Recovery Plant

We have invested in a waste heat recovery power generating system with a capacity of 12.3 megawatts (MW). This system effectively utilises waste heat from our clinker production processes to generate electricity, further enhancing our competitive advantage and demonstrating our commitment to sustainable growth.

# 12.3 MW

WHR Power Generating Capacity

## Our Manufacturing Reach



*This map is for illustration purpose only*

- 1 Lumshnong, Meghalaya**  
2.8 MTPA Clinker Unit  
1.67 MTPA Grinding Unit  
51 MW Thermal Power Plant  
12.3 MW Waste Heat Recovery Plant
- 2 Sonapur, Guwahati, Assam**  
2.0 MTPA Grinding Unit
- 3 Mohitnagar, Siliguri, West Bengal**  
2.0 MTPA Grinding Unit





# Driving Sustainable Impact with Tech Prowess

Star Cement is a leading company in East India known for its unwavering commitment to delivering top-notch product quality. What sets us apart from the competitors is our well-organised supply chain and unmatched customer service. We take a customer-centric approach by leveraging advanced applications and cutting-edge automation to provide excellent support, aiming to bring comprehensive solutions for our clients.

## Social Media Connect



### WhatsApp Business

Star Cement leverages WhatsApp for Business to handle inquiries, promote products, and extend greetings to channel partners and customers.



### Online Engagement Programmes

The Company organises engaging online games for channel partners and influencers, offering rewards to victorious participants as a token of appreciation.

## ₹ 31 Lakh

Spent for the upliftment of aspirational districts

## ~6,000+ Contractors

Being supported by Star Lotus App

## 3,80,818

Persons benefited from CSR projects

## 2,100 Dealers

Being supported by Star Saathi App

## ~2,000+ Engineers

Being supported by Star Stellar App

## Automation

Automation helps us enhance workforce productivity by monitoring attendance, activities, and field visits of sales, branding, and technical teams. It provides valuable insights into dealer targets, generates reports, tracks schemes, monitors retailer lifting, and more. Over 300 employees rely on this application for daily field operations, including independent price verification and capturing competitor prices. This reliable system has been operational for over five years.

## Data Processing

An initiative has been undertaken to implement SAP, with the aim of achieving elevated operational efficiency and overall performance enrichments in FY 22-23. The implementation of SAP has paved the way for improved organisational productivity and effectiveness.

## Improved Website

We launched our redesigned website ([www.starcement.co.in](http://www.starcement.co.in)) last year, featuring a user-friendly interface and abundant content catering to engineers, architects, and home builders. The dynamic and informative site offers enhanced search capabilities, including live tracking on Google Maps, for locating the nearest dealers with ease and convenience.

## Mobile Application for Dealers and Customers

### Star Saathi App

Strengthened distribution channels, enabling flexible monitoring and payments for seamless dealer service. Over 1,800 users have adopted the app, expanding its reach and effectiveness.

### Star Stellar App

Established a dedicated loyalty programme for over 2,000 engineers, enhancing their association with the Company and offering valuable benefits and rewards.

### SAP Integration

Launched SAP implementation to achieve operational efficiency and improved performance. The implementation, finalised in the second quarter, shows promising results in organisational effectiveness and productivity.



### GPS Implementation

Over 150 GPS-enabled dedicated fleets, in collaboration with auto plant, ensure efficient fleet management, real-time tracking, and improved customer serviceability.

### E-Bidding Portal

Our advanced e-bidding platform, developed in partnership with Transport EG Group, facilitates ease of doing business and drives freight efficiency through a reverse bidding process, benefitting our valued customers.

### Star Link App

The App enables our Business Development Team to drive engagement with network of Masons who use Star Cement in their various projects. Masons can update the quantity of bags purchased from Star Cement Dealers or Retailers to get reward points which can be used to redeem a variety of gifts showcased in the App.



## Empowering and Strengthening Our Reach

At Star Cement, our primary focus is on establishing ourselves as leaders in identifying market disparities between demand and supply. We achieve this by leveraging a robust supply chain and distribution network, continuously enhancing these critical components to bridge the gap between customer demand and product availability.







## Strong Supply Chain and Distribution Network

Alongside our commitment to product excellence, we have developed a comprehensive supply chain ecosystem. This intricate network facilitates seamless procurement of raw materials, efficient production processes, and timely distribution of finished products. By streamlining these aspects, we ensure a steady and reliable supply of cement, meeting the demands of major markets across the eastern region of India.

## Easy Availability of Raw Materials

One thing that sets us apart is the proximity of our plants to limestone mines, with distances ranging from just 2 to 3 kilometers. This strategic location enables us to access high-quality limestone, a crucial raw material for cement production, with ease. The proximity minimises transportation costs and logistical complexities, contributing to the overall efficiency of our operations. To further enhance our logistical capabilities, we are in the full-fledged process of implementation of an integrated vehicle logistics system, optimising routes, and ensuring timely delivery of raw materials.



## Improving Transport Connectivity

Our commitment to serviceability and cost efficiency is evident in our seamless management of raw material inward and end-product outward dispatches at our manufacturing units. By leveraging multiple transportation modes and strategic proximity, we reduce lead times, optimise operational costs, and improve customer satisfaction. This emphasises our dedication to serviceability and cost efficiency, efficiently serving a wider customer base and meeting their demands promptly.

**Optimising Tech-driven Opportunities:** At Star Cement, we prioritise resource optimisation and operational efficiency by streamlining logistics, procurement processes, and leveraging technology and strategic partnerships for continuous improvement.

## Efficient Vehicle Movement with Integrated Vehicle Management System (IVMS)

Logistics plays a vital role in business operations, but supply chain disruptions have led to resource allocation inefficiencies. To enhance customer experience and optimise supply chains, our Integrated Vehicle Management System (IVMS) digitalises warehousing and transportation using GIS, GPS, IoT, RFID, AI/ML, and advanced analytics. IVMS enables end-to-end logistics management, real-time collaborations, reduced lead times, and improved transportation efficiency, aligning with our commitment to resource optimisation. The soft launch of our Integrated Vehicle Access Control cum Logistics Management System (IVL) in December 2022 marked a significant milestone in this journey.





# Building a Resilient Community

Building a stronger community is a core value that underpins our operations at Star Cement. We believe in actively contributing to the well-being and development of the communities wherein we operate. Through various social initiatives and partnerships, we strive to make a positive and lasting impact on the lives of individuals and the broader community. Our commitment to building a stronger community extends beyond CSR; it is ingrained in our culture and guides our decisions to ensure sustainable growth and prosperity for all stakeholders involved.



## Health and Sanitation

- ▶ Provision of support to TB patients in Sonapur district hospital through the provision of food items
- ▶ Organisation of a blood donation camp at Star Club on 8<sup>th</sup> December, 2022
- ▶ Initiation of food security programme for 73 specially-abled individuals in Mohitnagar, which will continue throughout the current financial year
- ▶ Medical camp organised at Lumshnong village on 22<sup>nd</sup> December, 2022 offering free health check-ups and medicine to patients
- ▶ Establishment of STAR JALADHARA Project, a 24x7 potable water system, nearing completion at 12 educational institutes and 1 social institutions in the GGU and SGU plant peripheral area
- ▶ Almost completed renovation of institutional toilets in 5 LP schools of Mohitnagar



## Livelihood Development

- ▶ Ongoing progress of Star Usha Tailoring School in all three locations according to the set schedule
- ▶ Introduction of beautician and wellness training courses for 43 native girls in Mohitnagar
- ▶ Continuation of biofloc fish farming at the Guwahati and Mohitnagar plant peripherals
- ▶ Smooth and uninterrupted production in the Agarbatti unit and sanitary napkin production unit at SRIJANI
- ▶ Self-Employment programme implemented in Mohit Nagar area by providing 27 E-richshaws to rural youths at shared value mode
- ▶ Regular awareness camps on menstrual hygiene conducted in different tea gardens of Mohitnagar, with positive acceptance and gradual change in habits observed among women
- ▶ Construction underway for a livelihood hub at Lumshnong, Meghalaya
- ▶ Selection of 58 pig farmers from five villages of Elaka Narpuh for the Pig Rearing Project in FY 22-23



## Education

- Ongoing infrastructural development at various educational institutions in Assam and Meghalaya, including the construction of boundary walls, classrooms, floors, desk bench support, and provision of classroom kits
- Initiation of renovation projects for school buildings in Mohitnagar, including the construction of a mid-day meal area
- Provision of school bus services in Lumshnong to facilitate transportation for students
- Smooth functioning of 'Computer Education on Wheels' at the Guwahati plant peripheral area, aiming to provide accessible computer education for student and rural community
- Student Support Programme, involving the distribution of classroom kits and sports items, planned for 25 LP SSK Schools in and around Mohitnagar



## Rural Development

- 350 Meter RCC road of Dongwalarung locality of Lumshnong Village and Community Hall office room is completed
- Additional room is being constructed at Gandhi Nagar Anchalik Kalakrishti Vikash Kendra
- Public utility area of Maa Kali Mandir at Sonapur and repairing of prayer hall at Lakhi Mandir, Bandargog is completed
- Construction of market place at Gouri Hat and Maa Kali Mandir at Madhya Kumar Para completed in Mohitnagar
- Repair works at 8.5 km connecting road of Sakri and Lumstongseng village completed
- Around 500 solar street lights installed in Guwahati, Mohitnagar and Meghalaya
- A solar home lighting system established in Meghalaya





## Building a Resilient People Culture

At Star Cement, fostering an inclusive and diverse work environment is at the core of our values and principles. We are dedicated to providing an infrastructure that respects and considers the unique demographics and composition of our workforce. In line with our commitment to inclusivity, all our Company facilities are thoughtfully equipped with wheelchair facilities and ramps, ensuring seamless access for differently-abled employees as mandated by the Rights of Persons with Disabilities Act, 2016.

Furthermore, our commitment to inclusivity extends beyond just the physical infrastructure. We actively promote diversity in our hiring practices, recognising that diverse teams are more likely to generate groundbreaking ideas and drive success. Our emphasis on cultivating a fair and equitable workplace is reinforced through regular training and awareness programmes, creating a culture that celebrates diversity and challenges unconscious biases

## Employees and Workers

2,029

Permanent Employees

2,175

Total Workers





## Social Measures

The Company has taken a proactive approach to ensure effective communication and collaboration with various stakeholders through the establishment of a forum. This forum comprises representatives from the local administration, local citizen forum, and Star Cement management, creating a platform for comprehensive discussions on a wide range of issues. These discussions encompass project planning, implementation strategies, addressing community grievances, and assessing the project's status.

By facilitating open dialogue, the forum empowers local people to express their needs and suggestions, contributing to the smooth implementation of projects. The Committee is regularly updated on project progress, ensuring timely implementation and prompt addressing of any delays.

Furthermore, the Company is deeply committed to fostering a sustainable value chain that supports the growth of micro-scale businesses and creates livelihood opportunities for vulnerable and marginalised communities. To achieve this goal, the Company actively engages with MSMEs, local suppliers, and vendors, promoting diversity within its supply chain. This dedication to inclusivity and community development exemplifies the Company's responsible business practices and its focus on contributing positively to the well-being of the communities it operates in.

The Company effectively communicates its product offerings using a multi-faceted approach that includes its website (<https://www.starcement.co.in/home>), product launches, advertisements, and promotions on diverse social media platforms. Additionally, the Company actively engages in developing in-house applications to enhance its digital footprint, ensuring more efficient business processes.





# Driving Sustainability through Environmental Initiatives

Star Cement plays a significant role in environmental sustainability due to its energy-intensive operations and the associated carbon emissions. We strive to mitigate environmental impact and promote sustainable practices like responsible resource allocation, energy-efficient measures, effective waste management, and carbon reducing technologies.

With the aim to reduce our carbon footprint, we have implemented the use of biomass as an alternative to conventional fuels. Environmental protection, particularly the reduction of CO<sup>2</sup> emissions, remains a priority for us. Additionally, we are actively engaged in the development of a green belt surrounding our plant, planting evergreen saplings to enhance the environmental ecosystem. To further mitigate pollution, we have installed advanced equipment such as ESP, RABH, and bag filters, along with online monitoring systems to control particle emissions from associated stacks and ensure compliance with air quality standards.



## Building a Resilient People Culture

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## Carbon Footprint Reduction Strategies

We have implemented the use of biomass as an alternative to conventional fuels, aiming to reduce our carbon footprint. Environmental protection, particularly the reduction of CO2 emissions, remains a key priority for us. Additionally, we are actively engaged in the development of a green belt surrounding our plant, planting evergreen saplings to enhance the environmental ecosystem. To further mitigate pollution, we have installed advanced equipment such as ESP, RABH, and bag filters, along with online monitoring systems to control particle emissions from associated stacks and ensure compliance with air quality standards.

The Company follows circularity principles in its operations and end-of-life product management to reduce waste and dispose it off responsibly. The following mechanisms have been deployed for waste treatment:



### Plastics (including packaging)

The Company uses a high quantity of fly ash in cement production, which is imported in plastic bags. The resulting plastic waste is disposed of through pollution control board-authorized recycling vendors.



### E-waste

The Company is not in the business of electronic consumer goods. However, the e-waste generated during office operations is sold to registered recyclers.



### Hazardous waste

Hazardous waste is disposed of through registered recyclers or disposers that have permissions from state pollution control boards.

In addition to these mechanisms, the Company is also working to reduce waste generation at the source. For example, the Company is exploring ways to reduce the use of plastic packaging in its products. The Company is also committed to educating its employees about waste management and encouraging them to recycle and reuse materials whenever possible.

### Here are some specific ways that the Company is reducing waste generation:



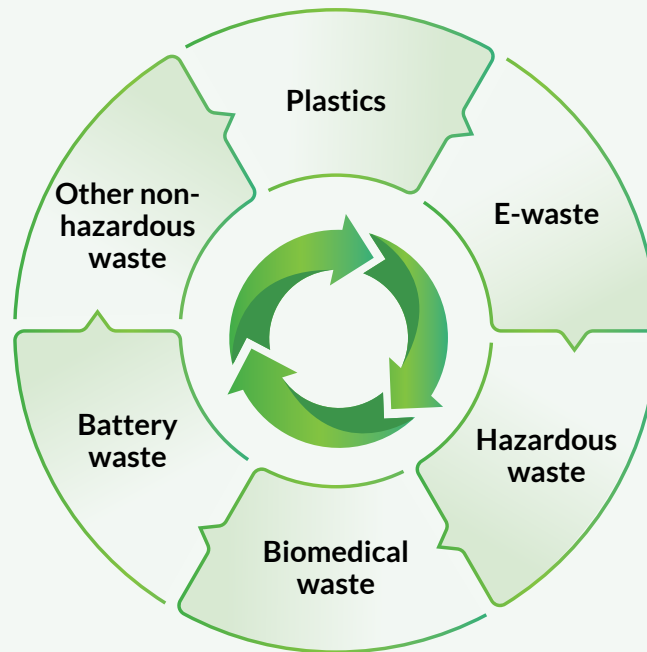
**~1,45,534**  
Waste re-used (in metric tonnes)

## Waste Reduction Initiatives

Star Cement's unique manufacturing process mitigates climate change by responsibly managing waste from societies and industries. The Company emphasises conserving natural resources and follows efficient waste management practices, with a dedicated team handling waste collection and disposal through authorised vendors.

The Company uses plastic bags to import fly ash for cement production, which generates a significant amount of plastic waste. This waste is disposed of through pollution control board-authorized recycling vendors.

Other non-hazardous waste, such as metal scrap and rubber scrap, is disposed of responsibly through waste handlers



The Company does not sell electronic consumer goods, but e-waste is generated during office operations. This e-waste is sold to registered recyclers

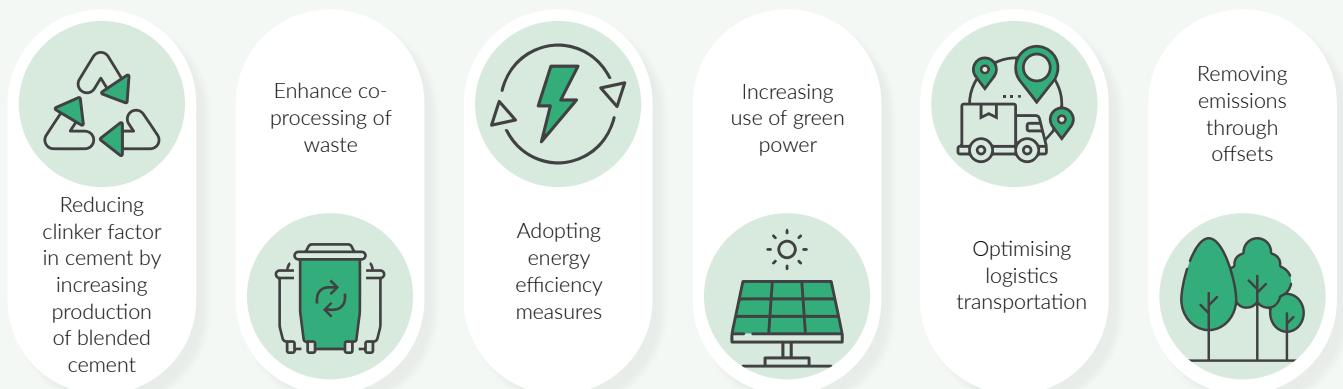
Battery waste is recycled through registered recyclers or disposers that have permissions from state pollution control boards

Hazardous waste is disposed of through registered recyclers or disposers that have permissions from state pollution control boards

Biomedical waste is incinerated through registered recyclers or disposers that have permissions from state pollution control boards

## Climate Action

Amid increasing climate change effects in India, cyclones and floods pose a threat to livelihoods and corporate activities. Urgent cross-sector coordination is required to achieve national emission reduction targets. At SCL, we commit to limiting global temperature rise by adopting alternative materials, embracing renewable energy, and employing energy-efficient technologies to mitigate climate change impacts.



## Reducing Clinker Factor in Cement by Increasing Production of Blended Cement

We believe in unlocking the inherent value of substances through responsible waste management. By reducing clinker in cement production and utilising alternative raw materials like pozzolana, slag, and fly ash, we contribute to our low carbon transformation journey. The increase in alternative raw material usage from 26% to 31% in FY 22-23 has helped reduce the clinker factor by 4%, while exploring the use of synthetic gypsum further conserves mineral gypsum extracted from the environment

# 31%

Alternative Raw Material

# 66%

Clinker Factor

## Enhance Co-processing of Waste

As a climate steward, we focus on utilising waste as an energy source, with plans to enhance the proportion of biomass energy in our captive power plants to 30%. Upgrading our kilns for co-processing waste as alternative fuel aims to achieve a target of 15% TSR by 2027, reducing fossil fuel dependence and preserving operating margins amid rising coal prices.

## Adopting Energy Efficiency Measure



### Lumshnong Plant

- Optimised cement mill 1 production, mix, and circuit.
- Implemented VFD for the primary air blower to control RPM as per process requirements.
- Replaced HPSV lights with energy-efficient LED lights.
- Enhanced RABH purging operation to optimise total power consumption.



### Siliguri Grinding Unit

- Installed a 90 KW VFD for clinker tippler bag filter fan.
- Implemented a 110 KW VFD in the cement mill air compressor.
- Installed a 132 KW VFD in the fly ash air compressor.



### Guwahati Grinding Unit

- Installed a 30 KW VFD in the bag filter fan.
- Implemented a 45 KW VFD in the bag filter fan.
- Enabled floor-wise lighting control through CCR as required.



## Increasing Use of Green Power

We are actively pursuing the replacement of traditional energy sources with green energy options to increase operating efficiency and resilience to rising fuel prices. Our focus is on enhancing green energy utilisation through solar power and Waste Heat Recovery System (WHRS). We have already installed 12.6 MW WHRS at our Lumshnong unit, and with planned revamping of WHRS capacity by 8.5 MW and installation of a 25 MW solar plant, we aim to achieve 15% green energy by 2027.

## Waste Management

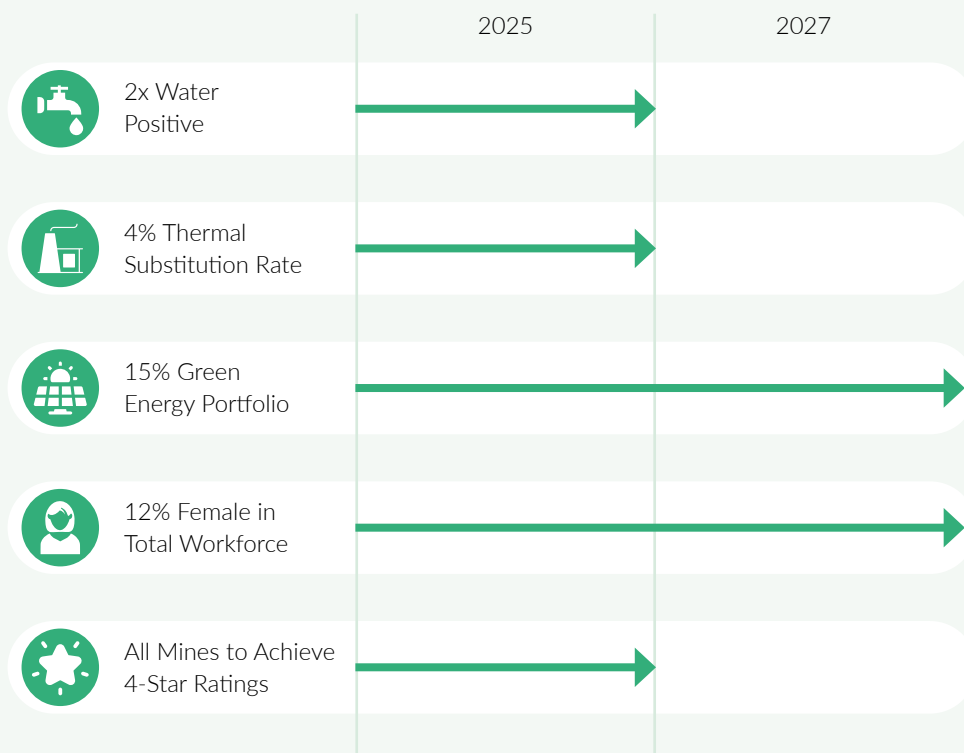
At SCL, the 3R approach (Reduce, Reuse, Recycle) helps us monitor and minimise waste generation. We have SOPs for waste handling and transportation, segregating hazardous and non-hazardous waste. Hazardous waste, e-waste, battery waste, and biomedical waste is disposed of separately through authorised vendors for recycling, incineration, or landfilling. Non-hazardous scrap materials are segregated and recycled through external vendors, and we have registered with CPCB to fulfill our EPR obligation for 100% recycling of waste plastic packaging material.

## Water Stewardship

In response to growing climate change impacts and water scarcity threats, we conduct regular water audits, with the help of the below strategies:

- ▶ **Optimising water consumption:** We improve water use efficiency by identifying and eliminating losses, using innovative technologies, and designing processes with sustainability principles in mind, leading to significant water consumption reduction.
- ▶ **Recycling wastewater:** Wastewater generated from power plants and domestic use undergoes thorough treatment, adhering to Zero Liquid Discharge status. Treated water is reused for plantation and dust suppression, ensuring responsible effluent discharge.
- ▶ **Identifying alternative water sources:** We have implemented rainwater harvesting at our Guwahati and Lumshnong units, with 0.74 Mn KL harvested during the financial year, reducing reliance on groundwater and surface water.

## Our ESG Goals



## SDG Goals



# Corporate Information

## Board of Directors

### Mr. Sajjan Bhajanka

Chairman, Managing Director & Chief Executive Officer  
(CEO upto 19<sup>th</sup> May 2023)

### Mr. Rajendra Chamaria

Vice Chairman & Managing Director

### Mr. Sanjay Agarwal

Managing Director

### Mr. Prem Kumar Bhajanka

Managing Director

### Mr. Tushar Bhajanka

Deputy Managing Director (w.e.f. 8<sup>th</sup> August 2023)

### Mr. Pankaj Kejriwal

Executive Director

Whole-time Director & Chief Operating Officer  
(upto 19<sup>th</sup> May 2023)

### Mr. Brij Bhushan Agarwal

Director

### Mr. Pramod Kumar Shah

Independent Director (upto 31<sup>st</sup> March 2023)

### Mr. Nirmalya Bhattacharyya

Independent Director

### Mr. Amit Kiran Deb

Independent Director

### Mrs. Plistina Dkhar

Independent Director

### Mrs. Ibaridor Katherine War

Independent Director

### Mr. Deepak Singhal

Independent Director (w.e.f. 29<sup>th</sup> June 2022)

### Mr. Vivek Chawla

Independent Director (w.e.f. 1<sup>st</sup> April 2023)

### Mr. Jagdish Chandra Toshniwal

Independent Director (w.e.f. 1<sup>st</sup> April 2023)

### Mr. Ramit Budhraja

Independent Director (w.e.f. 1<sup>st</sup> May 2023)

## Auditors

### M/s. Singhi & Co.

Chartered Accountants

161, Sarat Bose Road, Kolkata- 700026

## Chief Executive Officer

Mr. Vinit Kumar Tiwari (w.e.f. 20<sup>st</sup> May 2023)

## Chief Financial Officer

Mr. Manoj Agarwal

## Company Secretary

Mr. Debabrata Thakurta

## Bankers & FI's

State Bank of India

Indian Bank

DBS Bank India Ltd.

Kotak Mahindra Bank

IndusInd Bank

ICICI Bank Ltd.

## Registrars & Share Transfer Agents

Maheshwari Datamatics Pvt. Ltd.,

23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata – 700001

### Registered Office

Vill.: Lumshnong, P.O. Khaliehriat,

Dist.: East Jaintia Hills, Meghalaya – 793210

### Corporate Office

'Century House', 2<sup>nd</sup> Floor, P-15/1, Taratala Main Road,

CPT Colony, Taratala, Kolkata – 700088, West Bengal

Phone: +91-33 24015555

Email: investors@starcement.co.in

Website: www.starcement.co.in

### Guwahati Office

Mayur Garden, 2<sup>nd</sup> Floor, Opp. Rajiv Bhawan,

G. S. Road, Guwahati – 781005, Assam

### Delhi Office

Unit No. - DSM-517 to DSM-521, 5<sup>th</sup> Floor,

D.L.F. Tower, Shivaji Marg, Najafgarh Road, Delhi –

110015

### 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 – 782402, Assam

### Siliguri Plant

Chaurangi More, Teyyature Road, Patkata Colony,

Mohit Nagar, Jalpaiguri – 735102, West Bengal

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

### Dear Shareholders,

Your Directors have pleasure in presenting Twenty-Second Annual Report of the Company together with the Audited Standalone & Consolidated Balance Sheet as at 31st March, 2023 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, 2023 as compared to the previous financial year are as under:

(₹ in Lakhs)

| Particulars  | Consolidated |             | Standalone  |             |
|--|--------------|-------------|-------------|-------------|
|  | FY 22-23     | FY 21-22    | FY 22-23    | FY 21-22    |
| Total Income   | 2,75,692.95  | 2,25,519.07 | 2,73,120.85 | 2,21,913.06 |
| Profit before Interest, Depreciation and Tax and exceptional items | 52,047.47    | 37,862.33   | 33,886.92   | 25,488.56   |
| Less: Finance Cost   | 969.50       | 1,334.03    | 1,251.13    | 1,236.19    |
| Less: Depreciation and Amortization Expense                        | 13,111.22    | 12,162.95   | 7,751.63    | 7,214.85    |
| Profit before exceptional items and tax                            | 37,966.75    | 24,365.35   | 24,884.16   | 17,037.52   |
| Exceptional Items  | -            | -           | -           | -           |
| Profit before Tax  | 37,966.75    | 24,365.35   | 24,884.16   | 17,037.52   |
| Tax expense:   |              |             |             |             |
| - Current Tax  | 6,721.57     | 3,951.72    | 4,397.01    | 2,907.27    |
| - Tax for earlier years  | (759.74)     | (2.46)      | (772.82)    | (4.92)      |
| - Deferred Tax   | 7,244.51     | (4,261.39)  | 4,857.92    | (3,497.00)  |
| Net Profit after Tax   | 24,760.41    | 24,677.48   | 16,402.05   | 17,632.17   |
| Other comprehensive income for the year                            | 33.76        | (14.17)     | 30.94       | 2.33        |
| Total comprehensive income for the year                            | 24,794.17    | 24,663.31   | 16,432.99   | 17,634.50   |
| Net profit attributable to:  |              |             |             |             |
| Owners of the Company  | 24,760.41    | 24,677.48   | -           | -           |
| Non-controlling interest   | -            | -           | -           | -           |
| Total  | 24,760.41    | 24,677.48   | -           | -           |
| Other Comprehensive Income attributable to:                        |              |             |             |             |
| Owners of the Company  | 33.76        | (14.17)     | -           | -           |
| Non-controlling interest   | -            | -           | -           | -           |
| Total  | 33.76        | (14.17)     | -           | -           |
| Total Comprehensive Income attributable to:                        |              |             |             |             |
| Owners of the Company  | 24,794.17    | 24,663.31   | -           | -           |
| Non-controlling interest   | -            | -           | -           | -           |
| Total  | 24,794.17    | 24,663.31   | -           | -           |

### OPERATIONAL REVIEW

India accounted for 7% of global cement installed capacity and ranked second in the world. India has a high quantity and quality of limestone deposits and having a large untapped cement market therefore, cement industry promises huge potential for growth in the country.

Currently, Installed capacity of cement in India is 622 MTPA with production of 362 MTPA. The Government have been supporting cement industry in various ways.

As per Union Budget for FY 23-24, the Government of India has allocated USD 26.74 Bn in developing road infrastructure and USD 18.84 Bn in railways which is expected to enhance cement demand of the country.

During the year under review, your Company has manufactured 7,59,263 MT. of Cement Clinker as against 5,20,517 MT. recorded during the FY 21-22. Company's subsidiary M/s. Star Cement Meghalaya Limited has produced 19,62,393 MT. of Clinker as against 16,54,582 MT. during the FY 21-22. On consolidated basis total clinker production during the year was at 27,21,656 MT. as against 21,75,099 MT. during FY 21-22. Your Company recorded overall growth in its performance during the year.

In terms of capacity utilisation, clinkerisation unit of your Company was able to utilise 95.87% of its installed capacity as against 65.72% during the FY 21-22. M/s. Star Cement Meghalaya Limited has fully utilised its capacity during

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

the FY 22-23 as against 88.01% during the FY 21-22. On consolidated basis, clinkerisation units fully utilized its capacity during the FY 22-23 as against 85.60% during FY 21-22.

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 40,56,452 MT. as against 34,05,671 MT. during the FY 21-22.

Similarly, your Company has been able to achieve sales volume of 40,13,643 MT. of Cement as against 33,92,185 MT. during the previous financial year.

During the year your Company has obtained the Environment clearance for 42 hectares limestone mines

Your Company has implemented SAP in its business system which facilitates seamless and speedy data processing and flow of information with accountability.

During the year, your Company has taken various initiatives towards the cost cutting. In order to curb escalation of costs, the Company appointed Boston Consulting Group. Actions are being taken as per their advice. This year its efficacy has also been seen.

### UPCOMING PROJECTS

Your Company's new projects for establishing a 3 MTPA clinkerisation plant and 10.8 MW WHRB at Lumshnong is underway. Star Cement North East Limited, a subsidiary Company initiated for establishing 2 MTPA cement plant in Sonapur, Assam and Star Cement (I) Limited, a subsidiary Company's project for 2 MTPA cement plant in Silchar with Railway sliding are in progress. Commissioned and Trial run for Star Cement Meghalaya Limited, a subsidiary Company's WHRB project for 12.5 MW are in progress. Upon completion of the projects overall strength and position of your Company in cement market will be improved.

### DIVIDEND

The Board of Directors of your Company, after considering holistically the requirement of funds for Company's and its subsidiary's upcoming projects at Lumshnong, Sonapur and Silchar and the relevant circumstances has decided that it would be prudent, not to recommend any Final Dividend for the Financial Year 2022-23 (Previous year NIL).

### INDIAN ECONOMY AND OUTLOOK – AT A GLANCE

In spite of significant economic and geopolitical challenges remain in global environment, Indian economy remains one of the fastest growing economy of the world.

Indian economy posed to recover from contraction due to pandemic, Russian-Ukraine conflict and high rate of inflation. The economy is placing to overall growth across the sectors and expected to position itself to the pre-pandemic growth in

Financial year 2023-24. Capital expenditures undertaken by the Government and the private sectors are leading factors for the growth of Indian economy. Private consumption was high and it has led to increase in production and consumption. GDP growth rate is expected to be within the range of 6-6.8% in coming Financial year 2023-24. The World Bank revised its GDP forecast for India to 6.3 percent which is mainly due to slower consumption and present geopolitical scenario.

However, control of inflation within the range be a challenging task. The Reserve Bank of India has implemented certain measures to restraint inflation. Government of India is likely to meet its fiscal deficit target of 5.9 percent of GDP in Financial year 2023-24 in other hand, the current account deficit is projected to narrow to 2.1 percent of GDP from an estimated 3 percent.

As per report of IMF during the Financial year 2022-23, the world economy had suffered setbacks, due to Russia Ukraine war volatile climate changes and its impact, which has increased the cost of food and energy thus escalating prices and increasing rates of interest.

Budget FY 22-23 focused on growth oriented policies and consistency. For which overall country's future prospects are looking positive. The Union Budget has allocated 3% and more of GDP to capital expenditures, support for the manufacturing and agricultural sectors, focus on regional connectivity through airports and railways and easing of various compliances, promoting the 'green budget' for climate action. These factors will be the key governing factors for inclusive growth of the country in the period to come. India's strive towards being 'Aatmanirbhar' presents a positive outlook for its future economic prospects focusing on supporting domestic industries and promoting local production. It is anticipated that with these efforts, India will emerge as the world's fastest growing economy.

The Government of India has taken certain initiatives to improve economic stability of the country.

With the aim to 'ease of doing business' the Government has reduced over 39,000 compliances and decriminalised over 3,400 legal provisions, this will help the Corporates to focus on its core areas and will reduce cost and effectively manage time thus will increase efficiency of business. Government's initiatives e.g., 'Shree Anna Global Hub for Millets' programme will help export potential of the agricultural sector. The Union Budget has made provisions to modernise agriculture through investment in agri-tech, this will help the farmers. In the Budget the Government has announced various measures to promote the manufacturing sector this is expected to increase employment opportunities for the youth.

The Budget made provisions for infrastructure development which will increase the efficiency of goods and services delivery, helping businesses to reach a larger customer base.



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Further, the Government has allocated a capital outlay of ₹ 2.40 Lakhs Crore for railways, which will help to improve the country's transportation infrastructure. The development of transportation infrastructure will provide employment opportunities in the country.

### CEMENT INDUSTRY OVERVIEW

Indian cement industry is the second largest in the world. Country has a lot of potential for development in cement sector. Cement demand of the Country has been created through construction boom, pick-up in housing construction (60-63% share of total cement demand) and unprecedented infrastructure spending (~25-30% demand share). Country's cement industry promises huge potential for growth. Country's cement production capacity stood at 622 MT. p.a. and currently producing 362 Mn tonnes (MT.) in FY 22- 23 estimated. The Indian cement industry is likely to add ~80 Mn tonnes (MT) capacity by FY 23-24. Cement demand to register a CAGR of 9% between FY23-27 through infrastructure investments and healthy housing demand. During the Financial year 2022-23, due to geo political disturbances, Indian cement industry witnessed rise in energy prices which leads to high input costs and also impacted freight cost.

During last quarter 2022-23, domestic and international pet coke and coal prices have been moderated. In other hand imported coal from South Africa and Australia also witnessed a sharp decline of 35% and 44% q-o-q, respectively.

The Indian government is continuously focusing on infrastructure development for economic growth and is striving for full infrastructure coverage to establish 100 smart cities. The government plans to increase the capacity of railways and the facilities for handling and storage to enable the transfer of cement and cut out on transportation costs. These measures are expected to result in an increased construction activity in the country, thereby boosting demand for cement. The National Infrastructure Protection Plan, Bharatmala projects, mission "Home for All," rapid urbanisation, rising rural incomes and historically low interest rates on housing loans are one of the major factors driving long-term cement demand. Government has introduced schemes such as MGNREGA, PM Garib Kalyan Rozgar Abhiyan, PM Awas Yojana etc. which have aided cement demand of the Country.

In the Budget FY 23-24, Government highlighted its intention for the development of infrastructure sector and effective capital expenditure has been increased by 30%. Allocated Capex for Ministry of Road Transport and Highways increased by 25%. Allocation for PM Awas Yojana has been increased which will directly help the cement industry of the country. Budget for Metro cities has also been increased by 25%. 50 new air ports will be made and 100 critical transport

infrastructure will be developed. The government has allocated a capital outlay of ₹ 2.40 Lakh Crore for railways, which will help to improve the country's transportation infrastructure. This investment in the railway sector will improve regional connectivity and increase the efficiency of goods and services. The Indian Railways aims to rapidly redevelop the infrastructure of more than 1,000 stations under the AMRUT Bharat Station scheme. The government's 'Aatmanirbhar' or self-reliant strategy has been a central theme of the budget, with a focus on supporting domestic industries and promoting local production

In view of increasing demand in various sectors such as housing, commercial construction and industrial construction, Country's cement industry is expected to reach 420 Mn tonnes per annum (MTPA) by FY 26-27. Eastern states are likely to contribute for the development of the region as their untapped markets are likely to be explored.

### EAST & NORTHEAST SCENARIO – GATEWAY OF OPPORTUNITIES

The development of North East remains a major priority of the Government due to its locational and geo political features. For the purpose the Government of India has initiated in various fonts for overall development of North Eastern Region of the country. 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 which contributed in development of socio economic standard of the Region.

The Union budget has approved continuation of Schemes of Ministry of Development of North Eastern Region , with an outlay of ₹ 12,882.2 Crore, for the balance period of the 15th Finance Commission (FY 22-23 to FY 25-26). Government has announced a package of ₹ 550 Crore to illuminate border villages of Arunachal Pradesh. North East Gas Grid (NEGG) project of ₹ 9,265 Crore is underway and will improve economy in NER.

The Prime Minister's Development Initiative for North East Region (PM-DevINE) Scheme was announced in the Union Budget FY 22-23. The Scheme with 100% Central funding, will have a total outlay of ₹ 6,600 Crore for the 4 year period from FY 22-23 to FY 25-26. The projects are in implementation stage.

Numerous efforts have been made for infrastructure development in the region and improving the connectivity of railways, air, telecom, and waterways is the main focus. The outlay for the North East Special Infrastructure Scheme (NESIDS) will be ₹ 8,139.5 Crore including committed liabilities of ongoing projects. Government also approved ₹ 1,540 Crore for special packages for Bodo Territorial Council (BTC), Dima Hasao Autonomous Territorial Council (DHATC) and Karbi Anglong Autonomous Territorial Council (KAATC) in

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Assam. The Five pillars of the Atmanirbhar Bharat Abhiyan for self-reliant India, namely, Economy, Infrastructure, System, Vibrant Demography and Demand will get a push through the scheme.

Towards the objective of improving railway connectivity, ₹ 51,019 Crore have been spent since 2014 additionally 19 new projects worth ₹ 77,930 Crore have been sanctioned.

For improving road connectivity, 375 projects worth ₹ 1.05 Lakh Crore are under way. Under Assam Secondary Road Network Improvement Project, 247 KM have been taken up with an outlay of Rs 3,519 Crore. The road includes Dhodor Ali. 312.5 km road construction have been taken up with an outlay of Rs 3,994 Crore. 135 km road development work in Golaghat District with an outlay of Rs 1,252.14 Crore. Dhubri Fulbari bridge connecting Palashbari with Sualkuchi has been sanctioned for Rs 3,197.20 Crore. Construction of bridge over river Brahmaputra connecting Jorhat with Majuli with a cost of ₹ 925 Crore has been allocated. There are important flyovers proposed for construction in Guwahati, Jorhat, Amolapatty, Mancotta, Dibrugarh, Silchar (Kalain). Rabindra Bhawan at Guwahati will be reconstructed with 5,000 capacity Auditorium. New medical college will be constructed at Karimganj and Sivasagar.

For improving telecom connectivity in the North East Region from the year 2014 ₹ 3,466 Crore have been spent.

Air connectivity has also improved massively. In 68 years north east had only 9 airports, it jumped to 17 in a short span of eight years, to further give a boost to air connectivity, ₹ 2,000 Crore will be invested in civil aviation in North East region.

Waterways are integral to life and culture of North East. Recently ₹ 6,000 Crore have been sanctioned for the development of national waterway 2 and national waterway 16.

The State government of West Bengal has launched a project 'Rastashree' for the construction of new roads revamping existing roads. A total of 11,500 km of rural roads has been taken up under the project and the total allocation for the scheme is close to ₹ 3000 Crore. Indian Government has announced a major investment of Rs 2,550 Crore for the Kolkata Metro Rail in the union budget FY 23-24.

As per Union Budget of Bihar, 157 new nursing college to be established in the state. Centre will spend ₹ 44,950 Crore in FY 23-24 in Bihar under Bharatmala, a centrally funded project which aims to build a network of roads, highways and expressways across India.

The aforesaid projects will help to increase cement demand in the Region which is likely to have positive impact on the Companies operating in the Region.

### Market Development

East India cement demand is expected to grow with a CAGR of 8% to 9% by FY 23-25 estimated. 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 ~19 Mn tonnes and 20 Mn tonnes estimated respectively. Cement demand in West Bengal and Bihar has also grown in the last five years with the help of central government's 'housing for all' as well as rapid infrastructure development in rural and urban sectors.

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 9% in NER against an all India average of ~8% estimated.

During the year under review your Company was able to sell overall 4.01 Mn Tonnes. of cement as against 3.4 Mn Tonnes during the FY 21-22.

Overall Cement demand in North East accounted for 13 Mn Tonnes in FY 22-23 as against 12 Mn Tonnes in FY 21-22.

As a market leader in NER your Company has further consolidated dealers and sub dealer's network. Currently your Company is associated with 1,600 dealers and 12,000 sub dealers.

Company is running mobile application for dealers, influencers, sales, branding and technical team as follows:

- i) Star Saathi App for Dealers
- ii) Customer Web Portal for Dealers
- iii) Digital Displays in Dealer counters
- iv) Star Lotus App for Contractors
- v) Star Steller App for Engineers
- vi) Sales Force Automation App for Sales, Branding and Technical department.

During the year Star Cement Limited continued with the Brand Television Commercial with Akshay Kumar as brand Ambassador, one of the biggest Stars of Bollywood. Association of Akshay Kumar being the brand ambassador caused an uplift on the brand perceptions and has had a positive impact on the saliency of Star Cement as a brand.

The Brand Campaign with the key message that Star Cement ready for accepting 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, Sikkim & Bihar. The commercial also have presence in the Digital medium and a heavy BTL presence through Surrogate boards, Hoardings, Wall Painting & Dealer/Retailer branding across North East, West Bengal, Sikkim & Bihar. The campaign hence has visible across 360 degrees in multiple mediums.

This year we also initiated a digital marketing campaign called "Happy Pic Lucky Pic Contest" for our Facebook and

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Instagram users. The total engagement we had was for more than 2 Lakhs users and the campaign helped us to increase our Facebook likes by 17% and Instagram followers by 2700%.

### PRODUCTION AND COST DEVELOPMENTS

#### Fly Ash

FY'23 Target of above 40 Lakh MT resulted in increased production of Portland Pozzolana Cement (PPC) as well. As a result we could consume higher quantity of Fly Ash which is otherwise an environment hazard. In the process we could procure 12.7 Lakh MT of Fly Ash which is 44% higher as compared to FY'22.

In order to bring down the cost of Fly Ash, various cost saving initiatives were taken throughout the year. Almost all Fly Ash transportation through rakes were done through BOXN after complying with all environmental norms, resulting in lower freight cost. We sourced Bagged FlyAsh at our Siliguri Plant resulted in cost saving & continuous availability of FlyAsh.

#### Logistics & Freight

The freight cost in NE continued to be impacted in Guwahati – Shillong – Silchar route due to damage on Dwarksuid bridge along Shillong Bypass.

Your Company steered through these challenges to ensure that supplies to Market are ensured while keeping the cost in control. FY'23 saw Rail Siding getting operational at our Siliguri plant which ensured the market are served with reduced Order to Delivery Time and increase market penetration. Availability of Rake dispatches from Siliguri Plant enabled to dispatch approx. 22,500 MT through rake in the peak month of Mar'23 which is mainly impacted by Potato Harvesting Season.

Logistics Cost Efficiency was further improved through sustained efforts of key initiatives such as month e bidding, PTPK Outlier corrections & levers. Weighted average lead distance continued to remain at 220 KM range.

Integrated Vehicle Access Control cum Logistics Management System (IVL) was soft launched on Dec'22 and which is in process of implementation. Once fully commissioned IVL would completed automate & digitise the End to End Logistics Operation and Bill Processing activities. Your Company has always focused on giving best Logistics services to our customers for timely delivery at the most economical costs & for the same 150+ GPS enabled dedicated fleets were inducted for enhanced customer serviceability. These fleet ensured every highest dispatch from Siliguri Plant during the Potato season wherein availability of fleet is a major concern.

#### Power cost

Meghalaya Power Limited continues to be 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 optimise 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. By inclining towards procurement of Renewable Power like Solar & Wind from Indian Energy Exchange, your Company has shown its commitment towards promotion of renewable resources and reduction of consumption of electricity generated from fossil based fuel. Use of bio mass and bamboo also helped to reduce dependence on traditional sources.

Coal availability from local sources remained constrained. Sourcing of Coal was done majorly from Coal India Limited (CIL) through FSA and Domestic/ International Traders. The Company also procured good quantity of Coal supplies on spot auctions from CIL during the year, keeping the overall cost in control.

### KEY PERFORMANCE HIGHLIGHTS

- Consolidated cement production was at 40.56 Lakhs MT during the year as against 34.06 Lakhs MT during the previous financial year.
- Consolidated net sales at ₹ 2,575.55 Crore during the year under review as compared to ₹ 2,090.19 Crore during the financial year 2021-22.
- Consolidated EBIDTA was at ₹ 520.47 Crore during the year under review as compared to ₹ 378.62 Crore during the immediate previous financial year after exceptional items.
- Consolidated profit before tax during the year 2022-23 was at ₹ 379.67 Crore as against a profit of ₹ 243.65 Crore in the year 2021-22.
- Consolidated Exceptional items during the year was Nil as against Nil recorded in previous year.

### OPPORTUNITIES & THREATS, RISKS AND CONCERNS

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

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

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.

Government's budgetary allocation and 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 has been helping the sustained development of the region.

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 diesel costs leads to high transportation cost. Availability of coal at a affordable cost became a constraint factor. In order to tackle the situation your Company optimally utilising its reserved coal and entering Fuel Supply Agreement with various suppliers. 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 helping 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, 2023 was ₹ 40,41,80,417 divided into 40,41,80,417 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 |
|--------------------|---------------------|-------------------------------------|
| FY 17-18 (Final)   | 31st July, 2018     | 6th September, 2025                 |
| FY 19-20 (Interim) | 6th February, 2020  | 14th March, 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 September 27, 2022 (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 Financial year 2015-16 which was unpaid for Seven (7) consecutive years aggregating to ₹ 2,96,158 in respect of which dividend entitlements were not paid or claimed for seven (7) consecutive



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

years or more have been transferred by the Company to the IEPF Authority on 20th July, 2022, after following the required provisions of Rules. 40,158 equity shares of the Company were transferred to the IEPF Authority on 3rd August, 2022, 6th August, 2022, 12th August, 2022 and 13th August, 2022 respectively. 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>.

### ANNUAL RETURN

In terms of requirement of section 134 (3) (a) read with Section 92(3) of the Companies Act, 2013, the Annual return of the Company has been placed on the Company's website and can be accessed at the web link: <https://www.starcement.co.in/upload/images/files/Annual-Return-2022-23.pdf>

### MEETINGS OF THE BOARD

During the year four (4) Board Meetings and four (4) Audit Committee Meetings were convened and held on 17th May, 2022, 2nd August, 2022, 14th November, 2022 and 3rd February, 2023 respectively. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. 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 17th March, 2023 wherein the performance of the Non-Independent Directors and the Board as a whole, its committees were 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://www.starcement.co.in/upload/images/files/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://www.starcement.co.in/upload/images/files/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: <https://www.starcement.co.in/upload/images/files/Dividend-policy.pdf>

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

### 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 (IND AS)

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 (Ind AS) 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, 2023 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

Messrs Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E), Statutory Auditors of the Company have been appointed by the members at the

Twenty-First Annual General Meeting of the members of the Company and shall hold office for a period of 5 years from the date of such meeting held on 27th September, 2022.

The Statutory Auditors' Report "with an unmodified opinion", given by M/s. Singhi & Co., on the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023, is appended in the Financial Statements forming part of this Annual Report.

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 B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2023 in the Board Meeting held on 17th May, 2022. The remuneration proposed to be paid to them for the Financial year 2022-23, as recommended by audit committee, was ratified in the meeting of shareholders held on 27th September, 2022.

Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) have expressed their willingness to be re-appointed as Cost Auditors of the Company for ensuing financial year. The Board, on recommendation of the audit committee has re-appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the Financial year 2023-24 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is 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 Financial year 2023-24 is included in the Notice convening the Annual General Meeting.

The Cost Audit report for the Financial Year 2021-22 was filed with the Ministry of Corporate Affairs on 31st August, 2022.

### 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 Practising Company Secretaries, (Firm Registration No.- P2010WB042700) to undertake the Secretarial Audit of the

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

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.

### REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility and Sustainability Report of the Company for the financial year ended 31st March, 2023 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.

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: <https://www.starcement.co.in/upload/images/files/Revised-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:

- Cement Mill 1 production, mix & circuit optimised, by which annual power saving achieved.
- Primary Air blower installed VFD by which control the rpm of blower as per process requirement and saved the energy 86,000 kWh per year.
- Due to replacement of existing HPSV lights by LED fittings a total 54,000 kwh power was saved during the year.
- Optimisation of RABH purging operation done which leads to Total power saving of 2,80,000 kwh per year.
- Modification of lighting system of packing plant, Mill Building, Hopper Building from "Always on" in Night hours to need based lighting system. This Lights are controlled from CCR as per requirement.
- Packing plant Packer 1, 2 & 3 Bag Filter Fan 30 KW Installation of VFD in place of DOL starter resulted in reduction in power.
- 02 no's of 37 kW VFD installation in feeding group bag filter fans has reduced power consumption of 94960 KWH per year.
- Mixing of Grinding Aid in cement production started to Increase mill output and decrease Mill SPC (Specific power consumption). For PPC SPC decrease up to 0.5 Kwh/MT & Mill output increase up to 10 TPH.
- Installed 2 Nos 100 KVAR Capacitor bank at fly ash IMCC and water pump IMCC panels. Improved power factor up to .995.
- Installation of 90 KW VFD in Clinker tippler bag filter fan. Saving of 8.0 KW per hour.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

- Installation of VFD in ---  
110 KW in Air compressor. Saving 17 kw per hour.  
132 KW VFD in Fly ash Air compressor. Saving of 41 Kw per hour.  
Maintained MD below 8000KVA by tripping of non-critical drives of plants.

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

- a. Steps taken towards Technical innovation:-
  - i. Installation of 5.5KW VFD for kiln thruster pump to control the pressure of kiln thruster pump.
  - ii. New Yaskawa GA700 VFD Drives communication with Plant PLC is done by using Modbus communication. Communication was done by changing data type from Hexadecimal to Integer which required data conversion module set up .
  - iii. Modified the lighting circuits of packing plant truck loader and packer area. When there is no loading Stopping 330 lights. Installed 12 Nos 150 watts emergency lights for illumination during stopping of said lights. Saved 19008 kwh power in last six months.
  - iv. Optimisation of HAG operation hence reducing the fuel cons by 30%. Annual Saving 7437 ltrs fuel.
- b. Steps taken towards technical absorption:-
  - i. For smooth operation of Truck loaders installed Solid state Relay (SSR) in place of power contactors for Long belt, Loading belt, Luffing drive, this helped in reducing down time of truck loader. Failure rate of Power Contactors are 10 times more than SSR and also cost wise SSR is 30% cheaper
  - ii. Installation of 3.7 KW VFD in grinding Aid dosing pump. This helped in savings of grinding aid by adjusting dosing from CCR as per process requirement.
  - iii. Mixing of Grinding Aid in cement started up to 1 Kwh/MT for increase mill output and decrease Mill SPC.
  - iv. Optimised bag house air purging system. Saved 32400 KWH power in last six months.
  - v. Providing hardware interlock in 38 Nos bag filter & air slide fan's enclosures exhaust fans. Saved 38300 KWH in last six months.
  - vi. Operation of belt conveyor (K21BC4) with modified control circuit of divertor ( K21DG1).

### c. Steps taken towards technical adoption :-

- i. Development of Test bench PLC set up with spare CPU and modules. This will help in two ways. Firstly, new purchased Module in terms of functionality can be checked. Secondly different communication protocol like Modbus, Profibus and others which caters training to all engineers can be tested.
- ii. Use of alternative fuel Pyro oil in place of High-speed diesel.
  - 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 ₹ 6.70 Lakhs (P.Y. ₹ 8.12 Lakhs) and Revenue Expenditure of ₹ 22.74 Lakhs (P.Y. ₹ 52.31 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 ₹ 2,597.86 Lakhs (Previous Year ₹ 5.24 Lakhs).

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

Star Cement Limited has constantly been the forerunner of CSR activities in north-eastern and eastern region of the country. The Company's CSR policy primarily focuses on the need based sustainable holistic development of the neighbouring society since the day of its inception. Towards achieving long term stakeholder value creation, the Company continues to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward Groups, the underprivileged and marginalised and the society at large.

Your Company is always pioneer in various social welfare activities and has been undertaking several welfare activities for the benefit of the community at large. Towards achieving long term stakeholder value creation, the Company continues to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward Groups, the underprivileged and marginalised. Your Company's CSR activities always goes beyond the statutory requirements for the reasons excess contributions made every year are never set off against the CSR liability.

Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII thereof and Rules made thereunder, your



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Company's social responsibility policy is offering number of community welfare services in the field of Health & Sanitation, Education, Disaster relief, Environment sustainability & Biodiversity, Animal welfare, Sustainable Livelihood & Skills building, Sports upliftment, Rural & infrastructure development for the local inhabitants of plant operational areas during the year 2022-23 to improve the quality and standard of living. Your Company undertook various activities during the year 2022-23 under review in line with its CSR Policy.

The composition of CSR Committee of your Company, attendance at the said Meeting, terms of reference of the CSR Committee and other relevant details have been provided in the Corporate Governance Report forming part of the Annual Report. The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in conformity with CSR objectives and policy of the Company and in compliance with Section 135 of the Companies Act, 2013.

Your Company's Policy on Corporate Social Responsibility can be accessed on the Company's website at <https://www.starcement.co.in/upload/images/files/CSR-Policy-2021-1.pdf>

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 etc.,.

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 had expressed their satisfaction over the evaluation process and results thereof.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors through circular resolution dated 29th June, 2022, had appointed Mr. Deepak Singhal (DIN: 00957347) as an Additional Director of the Company in the Independent category with effect from 29th June, 2022, for a period of 3 years till 28th June, 2025 which was duly approved by the shareholders at the Annual General Meeting held on 27th September, 2022.

Mr. Deepak Singhal aged about 63 years is an IAS (Retired). He is Graduate in Engineering from IIT, Roorkee (Gold Medalist) and Post Graduate from IIT, Delhi. He is the winner of World Water Award from Stockholm. He is having 40 years of rich and varied experiences in diverse fields. He was Chief Secretary of Govt. of Uttar Pradesh and was District Magistrate of Nainital, Bareilly and Meerut and was also Vice Chancellor of Meerut University, Chairman & Managing Director of Uttar Pradesh, Power Corporation, Principal Secretary-Home, Principal Secretary- Irrigation, Joint Secretary-Fertilisers, Govt of India, Sales Tax Commissioner and Vice Chairman of Meerut & Kanpur Development Authority etc. At present he is in the Board of Instrumentation Automation Surveillance & Communication Sector Skill Council.

Mr. Pramod Kumar Shah, Independent Director retired from the Board with effect from close of the business hours of 31st March, 2023 due to completion of his second and final terms of appointment as an Independent Director. Your Board of Directors record their appreciation for the valuable services and guidances rendered/given by Mr. Pramod Kumar Shah during his association with the Company as a member of the Board and various Committees.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 3rd February, 2023, appointed Mr. Vivek Chawla (DIN: 02696336) as an Additional Director in the Independent category with effect from 1st April, 2023 for a period of 3 years till 31st March, 2026 subject to approval of the shareholders.

Mr. Vivek Chawla aged about 62 years is BE (Hons.) in Mining Engineering from National Institute of Technology, Raipur, MP and Diploma in Business Management from IGNOU having rich and varied experience over 41 years in the industry across functions such as management, operations, manufacturing, strategy sales & marketing, projects, logistics, commercial and Mining.

Mr. Chawla has led and nurtured large businesses and managed some of the plants of ACC/ Hindalco etc. He is pioneered in large scale transformation programs in sales, logistics and manufacturing, led strategic initiative into captive

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

coal blocks, obtained additional limestone mining leases for future growth of the Company, conceptualised and executed large-scale capital investments including acquisitions and has managed large work forces, trade unions and external stakeholders. Presently, he is heading the Paper business of Emami Group as Whole-time Director & CEO of Emami Paper Mills Limited. He is also associated as Director with NU Vista Limited, Sanjeeva Town Welfare Association and Prakruti Prerana Foundation. His association as Director would be beneficial to the Company.

Mr. Chawla has given his consent for appointment and has confirmed that he retains his status as Independent Director and does not suffer from any disqualifications for appointment.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors through circular resolution dated 20th March 2023, appointed Mr. Jagdish Chandra Toshniwal (DIN: 01539889) as an Additional Director of the Company in Independent category with effect from 1st April, 2023 for a period of 3 years till 31st March, 2026 subject to approval of the shareholders.

Mr. Jagdish Chandra Toshniwal holds a B.E. Degree in Mechanical Engineering from Birla Institute of Technology & Science, Pilani (Rajasthan). He has nearly 45 years of experience in Cement Industry with visionary leadership, high achievement orientation, innovative capabilities, strong business acumen, a thorough cement professional having exposure in Plant operations, Green Field /Brown Field Project, Marketing, Procurement and Business Development. He has worked with Ambuja Cement Limited, Heidelberg Cement India Private Limited and different other Cement Companies. Currently, He is associated as Director with Shiva Cement Limited and Jindal Panther Cement Private Limited. Mr. Toshniwal has also worked as a Managing Director in Wonder Cement Limited. He was responsible for managing entire business of the Company including plant operations, project planning and execution, sales and marketing across nine states, setting up processes, developing the organisation for rapid growth of the Company, developing business strategies. His association as Director would be beneficial to the Company.

Mr. Toshniwal has given his consent for appointment and has confirmed that he retains his status as Independent Director and does not suffer from any disqualifications for appointment.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors through circular resolution dated 27th April, 2023, appointed Mr. Ramit Budhraj (DIN: 00053723) as an Additional Director of the Company in Independent category with effect from 1st May, 2023 for a period of 3 years till 30th April, 2026 subject to approval of the shareholders.

Mr. Ramit Budhraj, about 63 years old, has a Business Administration (MBA) Degree from Indian Institute of Management (IIM), Bangalore and B-Tech in Chemical Engineering from Indian Institute of Technology (IIT), New Delhi. He is an expert practitioner in Strategy, Marketing, Transformation, Innovation and Mergers. Mr. Budhraj has attended numerous developmental programs in India, Switzerland, and USA.

A veteran with over 30 years of experience in the Cement industry, he has motivated and led teams across the globe based out of India, Switzerland, Germany, France and Bangladesh. He has served as a Director on the Boards of ACC Concrete Limited, Alcon Cement Private Limited, Shiva Cement Limited, Bulk Cement Corporation (India) Limited and Holcim Bangladesh Limited. He commissioned and took to market over 5 Mn tons of cement capacity, achieving over 34% growth in sales per year. He is credited with achieving peak performance and implementing growth strategies through mergers and acquisitions.

Mr. Ramit Budhraj has given his consent for appointment and has confirmed that he retains his status as Independent Director and does not suffer from any disqualifications for appointment.

In terms of Regulation 17(1C) of the Listing Regulations, the listed entity is required to obtain approval of the shareholders for the appointment of new Director at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the shareholders of the Company were need to approve the appointment of Mr. Vivek Chawla, Mr. Jagdish Chandra Toshniwal and Mr. Ramit Budhraj as Independent Directors of the Company, by way of special resolution through postal ballot by way of voting through electronic means or by the ensuing General Meeting whichever is earlier.

The approval of the shareholders for the appointment of Mr. Vivek Chawla, Mr. Jagdish Chandra Toshniwal and Mr. Ramit Budhraj as Independent Directors of the Company for above mentioned tenures respectively have been sought by way of special resolution through postal ballot by way of voting through electronic means.

Mr. Sajjan Bhajanka resigned as Chief Executive Officer and Key Managerial Personnel of the Company with effect from close of the business hours of 19th May, 2023, however he will continue as Chairman & Managing Director of the Company. The Board places on record its appreciation for the services rendered and guidance given by Mr. Sajjan Bhajanka during his tenure as Chief Executive Officer of the Company. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 19th May, 2023 has appointed Mr. Vinit Kumar Tiwari, as

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Chief Executive Officer and Key Managerial Personnel of the Company with effect from 20th May, 2023.

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 (DIN: 00246132) and Mr. Rajendra Chamaria (DIN: 00246171) will retire by rotation and being eligible, offer themselves for re-appointment. In view of their considerable experience, your Directors recommend the re-appointment as Directors 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. Nirmalya Bhattacharyya, Mrs. Ibaridor Katherine War, Mrs. Plistina Dkhar, Mr. Amit Kiran Deb, Mr. Deepak Singhal (w.e.f. 29.06.2022), Mr. Vivek Chawla (w.e.f. 01.04.2023), Mr. Jagdish Chandra Toshniwal (w.e.f. 01.04.2023) and Mr. Ramit Budhraj (w.e.f. 01.05.2023) 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 2 (two) years from the date of inclusion of their names in the data bank. Mr. Amit Kiran Deb, Mrs. Ibaridor Katherine War, Mrs. Plistina Dkhar, Mr. Deepak Singhal, Mr. Vivek Chawla, Mr. Jagdish Chandra Toshniwal and Mr. Ramit Budharaja, 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 and Mr. Nirmalya Bhattacharyya had appeared in 'online proficiency test' within the period of 2 (two) years from the date of inclusion of their names in the data bank and have 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 familiarise 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. Periodic presentations are made at the Board and Committee Meetings, updates of the Company, business strategy and risks involved. Site visits are arranged, whenever required. 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://www.starcement.co.in/upload/images/files/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, M/s. Star Cement (I) Limited (formerly, Star Cement Lumshnong Limited) and M/s. Star Cement North East Limited continue to remain subsidiaries of the Company.

Star Cement Meghalaya Limited, a material subsidiary, is engaged in manufacturing of Cement Clinker and has a Clinkerisation plant with an installed capacity of 1.8 MTPA. During the year under review, the Company manufactured 19,62,393 MT of clinker as against 16,54,582 MT in FY 21-22.

Megha Technical & Engineers Private Limited, a wholly-owned subsidiary, is engaged in the manufacture of cement. During the year under review, the Company produced 40,526 MT of Cement.

Meghalaya Power Limited, a wholly-owned subsidiary, is engaged in generation of Power. During the year under review the Company generated 181 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.

M/s. Star Cement (I) Limited (formerly, Star Cement Lumshnong Limited) and M/s. Star Cement North East Limited, subsidiaries are yet to start commercial operations.

The Board of Directors of Star Cement Meghalaya Limited, Meghalaya Power Limited, Megha Technical & Engineers

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Private Limited and NE Hills Hydro Limited at their respective meetings held on 2nd February, 2023 and 18th May, 2023 have approved a Scheme of Amalgamation under Sections 230 to 232 read with other applicable provisions of the Companies Act 2013, involving amalgamation of Star Cement Meghalaya Limited, Transferee Company and Meghalaya Power Limited, Megha Technical & Engineers Private Limited & NE Hills Hydro Limited, Transferor Companies and their respective shareholders and creditors, with effect from Appointed date, 1st April, 2023. The Scheme is subject to necessary approvals, including sanction of the Scheme by the Hon'ble National Company Law Tribunal, Guwahati Bench.

### 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, 2023 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), Star Century Global Cement Private Limited (SCGCPL), Star Cement (I) Limited (formerly, Star Cement Lumshnong Limited) and Star Cement North East Limited 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 the Companies Act, 2013 and Ind AS 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 11:00 A.M. and 01:00 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 had preferred an appeal before the Apex Court. The Apex court vide its order dated 02.05.2023 remand back the file to the NGT, at the stage, at which they stood prior to the passing of the judgement dated 17.01.2020 and set aside the judgement dated 17.01.2020. As the matter is pending no provision has been made in the accounts. (Refer Note no. 46(b) of Notes to Accounts).

(ii) 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 sub-judice and final hearing of the case is yet to be conducted, therefore, no provision have been taken in the books of account. No further development took place during the year. (Refer Note no. 46(a) of Notes to Accounts).

(iii) During the year the Company has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards outstanding dues of royalty & Cess on Coal, Sandstone, Clay and Shale procured/ consumed by the Company in certain specific periods between F.Y. 2009-10 to F.Y. 2022-23 amounting to ₹ 2,650.31 Lakhs (including ₹ 1,552.61 Lakhs towards Penal Interest). As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/ consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence, there is no obligation of the Company to pay royalty/cess in case the minerals are procured from third party vendors. However, as an



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

abundant precaution, the Company has kept liability towards Royalty & Cess on above mineral products amounting to ₹ 487.88 Lakhs (including net additional provision of ₹ 89.79 lakhs during the year). Since the liability to pay royalty & Cess itself is not applicable to the Company, hence provision for differential amount of demand amounting to ₹ 609.82 Lakhs and penal interest amounting to ₹ 1,552.61 Lakhs has not been provided as a matter of prudence and shown as contingent liability. The Company shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favour of the Company (Refer Note no. 46(c) 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.

### 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 'Positive'. CRISIL Ratings, has affirmed the long term rating to

'CRISIL AA-/Positive' (pronounced CRISIL double A minus). The outlook on the long-term rating is 'Positive'

### 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, appointed an in-house team of employees headed by Mr. Anik Chakrabarty, Chartered Accountant as the Internal Auditors of the Company to conduct Internal Audit for the Financial Year 2023-24. 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.

### 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        | FY 22-23 | FY 21-22 | % change | Explanation for Significant Changes  |
|-----------------------------|----------|----------|----------|--|
| Debtors Turnover ratio      | 23.13    | 16.19    | 42.84    | Change on account of increase in sales by 23% and reduction in trade receivables                           |
| Inventory Turnover ratio    | 19.79    | 22.01    | (10.10)  | NA   |
| Interest Coverage ratio     | 20.89    | 14.78    | 41.34    | Increase on account of higher net profit achieved during the year and reduction of substantial borrowings. |
| Current ratio               | 1.31     | 1.63     | (19.60)  | NA   |
| Debt Equity ratio           | 0.03     | 0.06     | (56.21)  | Change is due to major repayment of Long term borrowings during the year.                                  |
| Operating Profit Margin (%) | 12.53    | 11.61    | 7.96     | Change on account of higher profit before interest and tax   |
| Net Profit Margin (%)       | 6.27     | 8.38     | (25.23)  | Change on account of higher taxes  |
| Return on Net Worth (%)     | 11.87    | 13.70    | (13.32)  | NA   |

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

### 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.

### DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

### DETAILS OF DIFFERENCE IN VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

### 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.

Human resources at Star Cement is responsible for a productive and thriving workforce that is engaged and motivated. HR ensures that employees feel safe, valued and properly supported to unleash their full potential and contribute towards achievement of company's overall goals and vision.

The year 2022-23 started off with the new mission of providing HR support to all stakeholders underlying the theme "Better & Faster"- delivering HR services "Better" than it was done and "Faster" than earlier. Transformative journey of HR commenced through heightened employee engagement, standardised processes, and increased service effectiveness and efficiency across locations

New and competitive salary structure was also introduced to give employees the flexibility to choose the best fit which is both market competitive and employee friendly. Major aim was also bring in uniformity, standardisation and fairness in CTC structure across all the locations.

It was critical to homogenise key talent acquisition processes across the organisation as a part of the Talent Acquisition strategy and tactics to meet the future challenges of the competitive Talent landscape. In our endeavor to ensure that we have the right people, at the right time in the right positions, we standardised the Talent Acquisition process through thoughtfully designed recruitment tools / formats which are now being used across locations to develop candidate pools and proactively court high-quality talent.

One of the major breakthrough was working towards introduction of "better and faster" HR Automation tool with the objective of providing quality employee experience offering seamless transactions across all HR workflows/ employee self service through an intuitive, easy to use interface available both on web and mobile.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

We were able to sustain our Reward & Recognition initiatives by way of recognising employees instantly for their contributions and also recognising valuable suggestions from them having a positive impact towards the growth/benefit of organisation.

Towards the journey of Business Excellence, HR contributed through partnering with business at various touch points and one major achievement was introduction 5S (a workplace organisation method) at our Lumshnong and Siliguri plant through anchoring the initiative and driving awareness on the same through all relevant stakeholders.

Training and Development initiatives were more robust and business oriented catering to both organisation and individual needs. Proper tracking of capability development initiatives helped to identify the impact of training across department in terms of mandays and coverage which in turn was an input towards Talent Development Strategy.

Industrial Relations have been effective with several interventions & good practices. During the year gone by, there has not been any material changes in human resources and industrial relations as proactively employee welfare related aspects across plant locations were addressed and taken care of.

### AWARDS AND ACCOLADES

During the year Star Cement was also awarded with Rotary RMB Connect 2022 Award in association with The Telegraph T2 for the most trusted invaluable service and excellence in the category of Cement Industry in 2022.

### 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. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual

Report can be sent by e-mail to its members for the financial year 31st March, 2023. A newspaper advertisement in this regard is being published.

Your Company prefers e demand module for transportation of material through Indian Railways which helps for carbon saving. It is the amount of saving of carbon emission in Tonnes of CO2 on account of transportation of goods by railways instead of road.

### 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, 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.

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 and look forward for their support in future.

For and on behalf of the Board of Directors

**SAJJAN BHAJANKA**

Place: Kolkata  
Date: 19th May, 2023

CHAIRMAN  
(DIN: 00246043)

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[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 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 authorised 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, 2023, generally 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, 2023, 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 and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - 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 and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
  - 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 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;



**ANNEXURE - 1 (Contd.)**

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 generally 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 and Listing Regulations.
- 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 the following special resolutions

- a. Appointment of Mr. Deepak Singhal (DIN: 00957347) as an Independent Director of the Company with effect from 29th June, 2022 upto 28th June, 2025.
- b. Revision in remuneration of Mr. Prem Kumar Bhajanka (DIN: 00591512, Managing Director of the Company w.e.f 1st June, 2022 for remaining period of his present term of appointment.

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**

Date: 19th May, 2023  
Place: Kolkata  
UDIN: A017190E000339457

Partner  
Membership no. 17190  
COP no. 18428

**ANNEXURE - 1 (Contd.)****Annexure- I**

To  
The Members,  
**STAR CEMENT LIMITED**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial 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 and regulations 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.

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

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

Date: 19th May, 2023  
Place: Kolkata  
UDIN: A017190E000339457

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[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 authorised representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 generally 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, 2023, 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.
  - i) 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 generally 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. There were no changes in the composition of the Board of Directors that 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.

**ANNEXURE - 1A (Contd.)**

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.

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.

Date: 18th May, 2023  
Place: Kolkata  
UDIN: A017190E000328171

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

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



**ANNEXURE - 1A (Contd.)****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 events, etc.
5. 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.

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

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

Place: Kolkata  
Date: 18th May, 2023  
UDIN: A017190E000328171

**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, Iron Ore, Shale, Coal, Store and Spares Materials, Fixed Asset Items
- (ii) Sale of Store and Spare Materials, Cement, Limestone
- (iii) Services availed and rendered

The transaction value for the financial year 2022-23 with SCML was ₹ 1,19,740.93 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

Place: Kolkata  
Date: 19th May, 2023

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

## 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 (Executive Director)                         | 2  | 2  |
| 2       | Mr. Sajjan Bhajanka   | Member (Executive Director)                           | 2  | 2  |
| 3       | Mr. Pramod Kumar Shah | Member (Independent Director) upto 31st March, 2023)  | 2  | 2  |
| 4       | Mr. Vivek Chawla      | Member (Independent Director) w.e.f. 1st April, 2023) | -  | -  |

#### 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 | <a href="https://www.starcement.co.in/upload/images/files/BoardCompositionandCommitteeStructure.pdf">https://www.starcement.co.in/upload/images/files/BoardCompositionandCommitteeStructure.pdf</a> |
| CSR Policy    | <a href="https://www.starcement.co.in/upload/images/files/CSR-Policy-2021-1.pdf">https://www.starcement.co.in/upload/images/files/CSR-Policy-2021-1.pdf</a>   |
| CSR Projects  |   |

#### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH THE WEB-LINK(S) 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. (a) **Average Net Profit of the Company for last 3 financial year as per section 135(5) :** ₹ 19,781 Lakhs
  - (b) **Two percent of average net profit of the company as per section 135(5):** ₹ 395.62 Lakhs
  - (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
  - (d) **Amount required to be set off for the financial year, if any:** NIL
  - (e) **Total CSR obligation for the financial year (b+c-d):** ₹ 395.62 Lakhs
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 649.77 Lakhs
  - (b) **Amount spent in Administrative Overheads :** Nil
  - (c) **Amount spent on Impact Assessment, if applicable :** Nil
  - (d) **Total amount spent for the Financial Year (a+b+c) :** ₹ 649.77 Lakhs

**ANNEXURE - 3 (Contd.)****(e) 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. |
| ₹ 649.77 Lakhs                                    | NIL  |                   |  |         |                   |

**(f) Excess amount for set off, if any**

| Sl. No. | Particular  | Amount (₹ in Lakhs) |
|---------|---|---------------------|
| (1)     | (2)   | (3)                 |
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 395.62              |
| (ii)    | Total amount spent for the Financial Year   | 649.77              |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 254.15              |
| (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)]                                     | 254.15              |

**7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

| 1<br>Sl. No. | 2<br>Preceding Financial Year(s). | 3<br>Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | 4<br>Balance Amount in Unspent CSR Account under section 135(6) (in ₹) | 5<br>Amount spent in the Financial Year (in ₹). | 6<br>Amount transferred to any fund specified under Schedule VII as per section 135(5), if any. |                   | 7<br>Amount remaining to be spent in succeeding financial years. (in ₹) | 8<br>Deficiency, if any |
|--------------|-----------------------------------|---|--|---|---|-------------------|---|-------------------------|
|              |                                   |   |  |   | Amount (in ₹).  | Date of transfer. |   |                         |
| NIL          |                                   |   |  |   |   |                   |   |                         |
| <b>Total</b> |                                   |   |  |   |   |                   |   |                         |

**8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:** Not Applicable
 Yes       No

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

| Sl. No. | Short particulars of the property or asset (s) (including complete address and location of the property) | Pincode of the property or asset(s) | Date of Creation | Amount of CSR amount spent | Details of entity/Authority/beneficiary of the registered owner |      |                    |
|---------|--|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1)     | (2)  | (3)                                 | (4)              | (5)                        | (6)   |      |                    |
|         |  |                                     |                  |                            | CSR Registration Number, if applicable                          | Name | Registered address |
|         |  |                                     |                  |                            |   |      |                    |

(Note: All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):** Not Applicable



**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 Private Limited | Star Cement Meghalaya Limited | Meghalaya Power Limited | Star Century Global Cement Private Limited | Star Cement (I) Limited | Star Cement North East Limited | NE Hills Hydro Limited |
|---------|--|---|-------------------------------|-------------------------|--|-------------------------|--------------------------------|------------------------|
| 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                     | 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                     | N.A                            | N.A                    |
| 3       | Share Capital  | 2,734.64                                    | 2,981.78                      | 1,713.06                | 20.03                                      | 5.00                    | 5.00                           | 7.00                   |
| 4       | Other Equity   | 29,554.12                                   | 83,666.23                     | 13,251.33               | (0.62)                                     | -                       | 2,000.00                       | 28.00                  |
| 5       | Total Assets   | 33,120.22                                   | 1,03,709.02                   | 17,770.32               | 21.84                                      | 197.37                  | 4,574.87                       | 36.23                  |
| 6       | Total Liabilities  | 33,120.22                                   | 1,03,709.02                   | 17,770.32               | 21.84                                      | 197.37                  | 4,574.87                       | 36.23                  |
| 7       | Investments  | 11,634.99                                   | 10,333.28                     | -                       | -  | -                       | -                              | 32.67                  |
| 8       | Turnover   | 2,079.88                                    | 97,610.24                     | 14,979.43               | -  | -                       | -                              | -                      |
| 9       | Profit before taxation   | 623.93                                      | 12,378.42                     | 332.11                  | (1.39)                                     | -                       | -                              | (0.18)                 |
| 10      | Provision for taxation   | 183.94                                      | 4,527.58                      | 30.46                   | -  | -                       | -                              | -                      |
| 11      | Profit after taxation  | 439.99                                      | 7,850.84                      | 301.65                  | (1.39)                                     | -                       | -                              | (0.18)                 |
| 12      | Proposed Dividend  | -   | -                             | -                       | -  | -                       | -                              | -                      |
| 13      | % of shareholding  | 100.00                                      | 87.49                         | 100.00                  | 100.00                                     | 60                      | 60                             | 100.00                 |

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations : NE Hills Hydro Limited, Star Century Global Cement (P) Limited, Star Cement (I) Limited & Star Cement North East Limited.
- 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 of Directors

**Manoj Agarwal**  
 Chief Financial Officer

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

Place: Kolkata  
 Date: 19th May 2023

**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 and Chief Executive Officer (CEO) [CEO till 19th May, 2023] | NIL                                 | 39.10:1                        |
| Mr. Sanjay Agarwal                           | Managing Director   | NIL                                 | 39.10:1                        |
| Mr. Rajendra Chamaria                        | Managing Director   | NIL                                 | 60.07:1                        |
| Mr. Prem Kumar Bhajanka                      | Managing Director   | NA                                  | 72.34:1                        |
| Mr. Pankaj Kejriwal                          | Wholetime Director  | NA                                  | 59.24:1                        |
| Mr. Brij Bhushan Agarwal                     | Non – Executive Director  | NA                                  | NA                             |
| Mr. Amit Kiran Deb                           | Independent Director  | NA                                  | NA                             |
| Mr. Pramod Kumar Shah                        | Independent Director  | NA                                  | NA                             |
| Mr. Nirmalya Bhattacharyya                   | Independent Director  | NA                                  | NA                             |
| Mrs. Ibaridor Katherine War                  | Independent Director  | NA                                  | NA                             |
| Mrs. Plistina Dkhar                          | Independent Director  | NA                                  | NA                             |
| Mr. Deepak Singhal                           | Independent Director  | NA                                  | NA                             |
| Mr. Manoj Agarwal                            | Chief Financial Officer   | 0.23                                | -                              |
| Mr. Debabrata Thakurta                       | Company Secretary   | 0.12                                | -                              |

\*\* 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:** 9.90%
- (iii) **The number of permanent employees on the roll of the Company :** 861
- (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 Financial Year 2022-23 was 9.90% while the average percentile increase in the Managerial remuneration for Mr. Sajjan Bhajanka, Mr. Rajendra Chamaria, Mr. Pankaj Kejriwal and Mr. Sanjay Agarwal was NIL. The percentile increase in the Managerial remuneration of Mr. Prem Kumar Bhajanka as Managing Director was 85.02%.

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

**ANNEXURE - 5 (Contd.)**
**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. Jyoti Swaroop Agarwal  | Chief Marketing Officer   | 350.68                             | Permanent            | M.Com                     | 40                 | 27th March, 2006                   | 62          | Ambuja Cement           | NIL                                   | None                           |
| 2       | Mr. Murali Krishna Garneni | Chief Manufacturing Officer                                     | 190.24                             | Permanent            | Dip (Mech), AMIE          | 39                 | 6th November, 2019                 | 61          | Penna Cement            | NIL                                   | None                           |
| 3       | Mr. Pradeep Purohit        | President & CSO   | 139.31                             | Permanent            | B.Com GDIMM               | 36                 | 15th November, 2004                | 57          | T&I Limited             | Nil                                   | None                           |
| 4       | Mr. Manoj Agarwal          | Chief Financial Officer   | 95.92                              | Permanent            | CA, CS, LLB               | 27                 | 27th July, 2009                    | 51          | Reliance Retail Limited | Nil                                   | None                           |
| 5       | Mr. Sundaram Srinivasan    | Chief Manufacturing Officer                                     | 93.90                              | Permanent            | B-Tech (Mechanical)       | 35                 | 29th August, 2022                  | 58          | Zuari Cement            | NIL                                   | None                           |
| 6       | Mr. Munjala Laxmaiah       | Senior Vice President   | 86.39                              | Permanent            | Btech(Mech), MBA(Finance) | 34                 | 18th September, 2020               | 58          | My Home Cement          | NIL                                   | None                           |
| 7       | Mr. Shouvik Chakraborty    | Assistant Vice President  | 78.89                              | Permanent            | MBA                       | 24                 | 18th July, 2022                    | 47          | Shree Cement            | Nil                                   | None                           |
| 8       | Mr. Samar Banerjee         | CHRO  | 67.80                              | Permanent            | PGDPM&IR, BA(Eco)         | 19                 | 24th May, 2022                     | 52          | Berger Paints           | Nil                                   | None                           |
| 9       | Mr. Mukesh Saxena          | Vice President  | 67.06                              | Permanent            | B.E. Mechanical           | 30                 | 20th February, 2012                | 56          | A.B.G.Cement Limited    | NIL                                   | None                           |
| 10      | Mr. Sachin Chamarria       | Executive Director-Business Development (not a member of Board) | 60.00                              | Permanent            | B.com (Hons.)             | 11                 | 1st January, 2013                  | 33          | -                       | 1.98                                  | Son of Mr. Rajendra Chamarria  |
| 11      | Mr. Rahul Chamarria        | Executive Director-Technical (not a member of Board)            | 60.00                              | Permanent            | B.E. Mechanical           | 14                 | 1st April, 2009                    | 37          | -                       | 1.13                                  | Son of Mr. Rajendra Chamarria  |

For and on behalf of Board of Directors

**Sajjan Bhajanka**  
 Chairman  
 DIN:00246043

Date :19th May, 2023  
 Place: Kolkata

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23

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 emphasises 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 Fourteen Directors, including and headed by an Executive Chairman, four Executive Directors, One Non-Executive Director and eight 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. Sajjan Bhajanka resigned as Chief Executive Officer and Key Managerial Personnel of the Company with effect from close of the business hours of 19th May, 2023 however he will continue as Chairman & Managing Director of the Company.

Mr. Vinit Kumar Tiwari, will be joining as Chief Executive Officer and Key Managerial Personnel of the Company with effect from 20th May, 2023.

Mr. Manoj Agarwal is the Chief Financial Officer of the Company.

The Composition of Board of Directors as at 31st March, 2023 and changes made till the date of report is provided below:

| Name of the Director           | Designation   | Category                   |
|--------------------------------|---|----------------------------|
| Mr. Sajjan Bhajanka            | Chairman, Managing Director & Chief Executive Officer | Promoter – Executive       |
| Mr. Rajendra Chamaria          | Vice-Chairman & Managing Director                     | Promoter – Executive       |
| Mr. Sanjay Agarwal             | Managing Director                                     | Promoter – Executive       |
| Mr. Prem Kumar Bhajanka        | Managing Director                                     | Promoter – Executive       |
| Mr. Pankaj Kejriwal ##         | Whole-time Director & Chief Operating Officer         | Non-Independent- Executive |
| Mr. Brij Bhushan Agarwal       | Director  | Non- Executive             |
| Mr. Amit Kiran Deb             | Director  | Independent                |
| Mr. Nirmalya Bhattacharyya     | Director  | Independent                |
| Mrs. Plistina Dkhar            | Director  | Independent                |
| Mrs. Ibaridor Katherine War    | Director  | Independent                |
| Mr. Pramod Kumar Shah*         | Director  | Independent                |
| Mr. Deepak Singhal**           | Director  | Independent                |
| Mr. Vivek Chawla***            | Director  | Independent                |
| Mr. Jagdish Chandra Toshniwal@ | Director  | Independent                |
| Mr. Ramit Budhreja#            | Director  | Independent                |

\* Mr. Pramod Kumar Shah retired as an Independent Director upon completion of his tenure with effect from close of the business hours of 31st March, 2023.

\*\* Mr. Deepak Singhal was appointed as an Additional Director in Independent category with effect from 29th June, 2022 for a period of 3 years till 28th June, 2025 and same has been regularised in the 21st Annual General Meeting of the Company held on 27th September, 2022.

\*\*\* Mr. Vivek Chawla was appointed as an Additional Director in Independent category with effect from 1st April, 2023 for a period of 3 years till 31st March, 2026.

@ Mr. Jagdish Chandra Toshniwal was appointed as an Additional Director in Independent category with effect from 1st April, 2023 for a period of 3 years till 31st March, 2026.

# Mr. Ramit Budhreja was appointed as an Additional Director in Independent category with effect from 1st May, 2023 for a period of 3 years till 30th April, 2026.

## Designation changed to 'Executive Director' w.e.f. 19th May, 2023



**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)**
**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           | 6  | 2  | Century Plyboards (India) Limited - Managing Director   |
| Mr. Sanjay Agarwal            | 7  | -  | Century Plyboards (India) Limited - Managing Director   |
| Mr. Rajendra Chamaria         | 1  | -  | -   |
| Mr. Prem Kumar Bhajanka       | 7  | -  | Century Plyboards (India) Limited - Executive Director  |
| Mr. Pankaj Kejriwal           | 2  | -  | -   |
| Mr. Brij Bhushan Agarwal      | 2  | -  | Shyam Metallics and Energy Limited  |
| Mr. Amit Kiran Deb            | 7  | 7 (4 as Chairman)  | 1. Century Plyboards (India) Limited - Independent Director<br>2. Skipper Limited – Independent Director<br>3. B & A Limited - Independent Director<br>4. India Power Corporation Limited – Independent Director<br>5. Emami Paper Mills Limited – Independent Director |
| Mrs. Plistina Dkhar           | 3  | -  | Shyam Century Ferrous Limited – Independent Director  |
| Mrs. Ibaridor Katherine War   | -  | -  | -   |
| Mr. Pramod Kumar Shah         | 9  | 8 (4 as Chairman)  | 1. Skipper Limited – Independent Director<br>2. Shyam Century Ferrous Limited – Independent Director  |
| Mr. Nirmalya Bhattacharyya    | 3  | 4 (2 as Chairman)  | Shyam Century Ferrous Limited- Independent Director   |
| Mr. Deepak Singhal            | -  | -  | -   |
| Mr. Vivek Chawla              | 3  | 1  | Emami Paper Mills Limited- Whole-time Director & CEO  |
| Mr. Jagdish Chandra Toshniwal | 1  | 2  | Shiva Cement Limited- Independent Director  |
| Mr. Ramit Budhreja            | -  | -  | -   |

\* 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.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

### 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:

| Name of Directors             | Skills/Expertise and Competencies  |
|-------------------------------|--|
| 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           | General management, Project management and Operational Integrity, Industry, Leadership, Production, Technical, Logistics, Legal, Sales, Marketing, Risk, Board procedures and Governance.  |
| Mr. Brij Bhushan Agarwal      | Managing Business, Strategic Planning, Future Expansion, Business Development, Marketing, Human Resources and Corporate Affairs  |
| Mr. Amit Kiran Deb            | Administration, General management, Accounts & Finance, Risk, Board procedures and Governance  |
| Mr. Pramod Kumar Shah         | Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures, Governance etc.   |
| Mr. Nirmalya Bhattacharyya    | Administration, Banking, Personality Development, Human Behaviors  |
| Mrs. Ibaridor Katherine War   | Administration and General management, Board procedures, Governance, Legal etc.  |
| Mrs. Plistina Dkhar           | Administration and General management, Board procedures, Governance etc.   |
| Mr. Deepak Singhal            | General Administration, Industrial Management, Engineering, Planning, Taxation, Finance etc.,  |
| Mr. Vivek Chawla              | Management, Operations, Manufacturing, Strategy Sales & Marketing, Projects, Logistics, Commercial and Mining  |
| Mr. Jagdish Chandra Toshniwal | Manufacturing & plant operations, innovations and optimisation of process, project planning, engineering, execution and project management, cost optimisation and bringing new concept for plant capacity upgradation and optimisation |
| Mr. Ramit Budhreja            | Expert practitioner in Strategy, Marketing, Transformation, Innovation and Mergers.  |

**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.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

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

Four (4) Board Meetings were held during the Financial Year 2022-23 and the gap between two meetings did not exceed 120 days. The Meetings were held on 17th May, 2022; 2nd August, 2022; 14th November, 2022 and 3rd February, 2023. The attendance at the Board Meetings during the financial year 2022-23 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            | 3                             | Yes               |
| Mr. Rajendra Chamaria         | 4                             | Yes               |
| Mr. Pankaj Kejriwal           | 4                             | Yes               |
| Mr. Prem Kumar Bhajanka       | 4                             | Yes               |
| Mr. Brij Bhushan Agarwal      | 2                             | No                |
| Mr. Nirmalya Bhattacharyya    | 4                             | Yes               |
| Mrs. Plistina Dkhar           | 1                             | No                |
| Mrs. Ibaridor Katherine War   | 1                             | No                |
| Mr. Pramod Kumar Shah         | 4                             | No                |
| Mr. Amit Kiran Deb            | 3                             | Yes               |
| Mr. Deepak Singhal            | 3                             | Yes               |
| Mr. Vivek Chawla              | NA                            | NA                |
| Mr. Jagdish Chandra Toshniwal | NA                            | NA                |
| Mr. Ramit Budhraja            | NA                            | NA                |

### 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 17th March, 2023 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 Familiarisation Program for Directors

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarise 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 familiarise 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 familiarisation

are available on the Company's website at <https://www.starcement.co.in/upload/images/files/Familiarization-Programme.pdf>

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 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.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

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 utilised 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 utilisation 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 2022-23. The Audit Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations. Members of the Audit Committee possess financial /accounting expertise/ exposure. The Committee is chaired by Mr. Amit Kiran Deb. The meetings were held on 17th May, 2022; 2nd August, 2022; 14th November, 2022 and 3rd February, 2023.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

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                                  |
| Mr. Vivek Chawla**     | Member – Independent, Non-Executive   | NA                                 |

\*Retired w.e.f. 31st March, 2023.

\*\*Appointed as member of the Committee from 1st April, 2023.

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:

- i. 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;
- ii. Formulation of criteria for evaluation of performance of Directors
- iii. Devising a policy on Board diversity;
- iv. 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;
- v. Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- vi. 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 web site 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://www.starcement.co.in/upload/images/files/Remuneration-Policy.pdf>



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

### 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 17th May, 2022; 14th November, 2022 and 3rd February, 2023 during the Financial Year 2022-23.

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

| Name of the Member         | Category                                     | No. of Committee Meetings Attended |
|----------------------------|--|------------------------------------|
| Mr. Amit Kiran Deb         | Chairman - Independent, Non-Executive        | 2                                  |
| Mr. Pramod Kumar Shah*     | Member - Independent, Non-Executive          | 3                                  |
| Mr. Nirmalya Bhattacharyya | Member- Independent Director, Non- Executive | 3                                  |
| Mr. Vivek Chawla**         | Member - Independent, Non-Executive          | NA                                 |

\*Retired w.e.f. 31st March, 2023.

\*\*Appointed as member of the Committee from 1st April, 2023.

### Remuneration paid to the Directors

The details of remuneration paid to Directors for the Financial Year 2022-23 is provided below:

| Sl. No. | Name of the Director        | Designation                         | Salary (₹)  | Sitting Fees (₹) | No. of Shares held as on 31st March, 2023 |
|---------|-----------------------------|-------------------------------------|-------------|------------------|---|
| 1.      | Mr. Sajjan Bhajanka         | Chairman & Managing Director        | 1,98,00,000 | -                | 4,78,86,362                               |
| 2.      | Mr. Sanjay Agarwal          | Managing Director                   | 1,98,00,000 | -                | 1,76,23,185                               |
| 3.      | Mr. Rajendra Chamaria       | Vice - Chairman & Managing Director | 3,04,20,000 | -                | 1,95,34,116                               |
| 4.      | Mr. Prem Kumar Bhajanka     | Managing Director                   | 3,66,33,330 | -                | 3,94,85,295                               |
| 5.      | Mr. Pankaj Kejriwal         | Whole-time Director & COO           | 2,00,00,000 | -                | 98,862                                    |
| 6.      | Mr. Brij Bhushan Agarwal    | Director                            | -           | -                | 15,58,413                                 |
| 7.      | Mr. Amit Kiran Deb          | Independent Director                | -           | 2,40,000         | -   |
| 8.      | Mr. Pramod Kumar Shah       | Independent Director                | -           | 4,20,000         | -   |
| 9.      | Mr. Nirmalya Bhattacharyya  | Independent Director                | -           | 2,50,000         | -   |
| 10.     | Mrs. Plistina Dkhar         | Independent Director                | -           | 25,000           | 997                                       |
| 11.     | Mrs. Ibaridor Katherine War | Independent Director                | -           | 25,000           | -   |
| 12.     | Mr. Deepak Singhal          | Independent Director                | -           | 1,75,000         | -   |

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:

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

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

- 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    | 3                                  |
| Mr. Sajjan Bhajanka    | Executive, Non-Independent | Member      | 4                                  |
| Mr. Sanjay Agarwal     | Executive, Non-Independent | Member      | 4                                  |
| Mr. Vivek Chawla**     | Non-Executive, Independent | Chairman    | NA                                 |

\*Retired w.e.f. 31st March, 2023.

\*\*Appointed as member of the Committee from 1st April, 2023.

The Company Secretary acts as Secretary to the Committee.

### Meetings and Attendance

The Stakeholder Relationship Committee meeting held on 3rd May, 2022, 25th August, 2022, 23rd November, 2022 and 2nd January, 2023 during the Financial Year 2022-23.

### Status of Pending Complaints

The Company has received 7 (Seven) Complaints during the Financial Year 2022-23, 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 Company Secretary acts as Secretary to the Committee.

The terms of reference of the Committee are as follows:

- 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.
- To formulate and recommend to the Board an annual action plan in pursuance of CSR Policy.
- To recommend the amount of expenditure to be incurred on CSR activities

- 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      | 2                                  |
| Mr. Pramod Kumar Shah* | Non-Executive, Independent | Member      | 2                                  |
| Mr. Vivek Chawla**     | Non-Executive, Independent | Member      | NA                                 |

\*Retired w.e.f. 31st March, 2023.

\*\*Appointed as member of the Committee from 1st April, 2023.

### Meetings and Attendance

The Corporate Social Responsibility Committee meetings held on 17th May, 2022 and 3rd February, 2023 during the Financial Year 2022-23. All the Members of the Committee attended the meeting.

The CSR Policy of the Company is available on the Company's website at: <https://www.starcement.co.in/upload/images/files/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:

- To approve the opening of and modification in operation of bank accounts, including closure thereof.
- 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 take necessary actions connected therewith.
- Provide corporate guarantee/performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

- 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    | 6                                  |
| Mr. Sanjay Agarwal    | Executive, Non-Independent | Member      | 6                                  |
| Mr. Rajendra Chamaria | Executive, Non-Independent | Member      | Nil                                |

### Meetings and Attendance

The Finance Committee meetings were held on 17th May 2022; 20th July, 2022; 2nd August, 2022, 12th September, 2022, 15th November, 2022 and 3rd February, 2023 during the Financial Year 2022-23 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 who are Directors.

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 Financial Year 2022-23, meetings of the Committee was held on 25th July, 2022 and 17th January, 2023 and attendance of members are given below:

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

| Name of the Member         | Category                   | Designation | No. of Committee Meeting attended |
|----------------------------|----------------------------|-------------|-----------------------------------|
| Mr. Sanjay Agarwal         | Managing Director          | Chairman    | 2                                 |
| Mr. Nirmalya Bhattacharyya | Non-Executive –Independent | Member      | Nil                               |
| Mr. Pramod Kumar Shah*     | Non-Executive –Independent | Member      | 2                                 |
| Mr. Vivek Chawla**         | Non-Executive –Independent | Member      | NA                                |

\*Retired w.e.f. 31st March, 2023.

\*\*Appointed as member of the Committee from 1st April, 2023.

### 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 victimisation 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.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)**
**GENERAL BODY MEETINGS**
**Particulars of last three Annual General Meetings:**

| Financial Year | Venue  | Date and time                      |
|----------------|--|------------------------------------|
| FY 22-23       | Through Video Conferencing (Deemed Location: Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210) | 27th September, 2022 at 11:30 A.M. |
| FY 20-21       | Through Video Conferencing (Deemed Location: Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210) | 30th September, 2021 at 11:30 A.M. |
| FY 19-20       | Through Video Conferencing (Deemed Location: Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210) | 29th September, 2020 at 02:00 P.M. |

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

| AGM  | Date                 | Matter   |
|------|----------------------|--|
| 19th | 29th September, 2020 | 1. Appointment of Mr. Amit Kiran Deb as an Independent Director  |
| 20th | 30th September, 2021 | 1. Appointment of Mr. Prem Kumar Bhajanka as Managing Director.<br>2. Re-appointment of Mr. Sajjan Bhajanka as Managing Director.<br>3. Re-appointment of Mr. Sanjay Agarwal as Managing Director.<br>4. Re-appointment of Mr. Rajendra Chamaria as Managing Director.<br>5. Place for keeping register of Members and copies of annual return etc., other than Registered Office of the Company.<br>6. Giving Loans/ Guarantees or providing securities for and on behalf of Companies and / or making investments in Companies.<br>7. Enhancement of Borrowing Power.<br>8. Creation of charges or mortgages and hypothecations. |

| AGM  | Date                 | Matter   |
|------|----------------------|--|
| 21st | 27th September, 2022 | 1. Appointment of Mr. Deepak Singhal as Independent Director<br>2. Revision in remuneration of Mr. Prem Kumar Bhajanka, Managing Director of the Company |

**Details of Special Resolution passed through Postal Ballot:**

During the year none of the businesses requires passing of a special resolution through postal ballot.

**Details of Special Resolution proposed to be conducted through Postal Ballot**

The details of special resolutions which are proposed to be transacted through postal ballot are as follows:

1. Appointment of Mr. Vivek Chawla (DIN: 02696336) as an Independent Director for an initial term of 3 (Three) years from 1st April, 2023 to 31st March, 2026.
2. Appointment of Mr. Jagdish Chandra Toshniwal (DIN: 01539889) as an Independent Director for an initial term of 3 (Three) years from 1st April, 2023 to 31st March, 2026.
3. Appointment of Mr. Ramit Budhraj (DIN: 00053723) as an Independent Director of the Company for an initial term of 3 (three) years with effect from 1st May, 2023 to 30th April, 2026
4. Increase the limit on maximum number of Directors from Fifteen to Twenty.
5. Revision in remuneration of Mr. Prem Kumar Bhajanka (DIN: 00591512), Managing Director of the Company w.e.f 1st April, 2023.

**Procedure for Postal Ballot:**

- In terms of the requirements specified in the MCA Circulars, the Company had sent the Postal Ballot Notice in electronic form only to those Members whose e-mail addresses were registered with the Company/ Depositories/ Registrar and Share Transfer Agents. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope were not being sent to the Members for this Postal Ballot. The members had the option to vote only through remote e-voting and voting through physical ballot was not available. The communication of the assent or dissent of the Members has also taken place through the remote e-voting system.
- The Scrutiniser submitted his report to the Chairman of the Company, who on the basis of the report announced the results, and

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

- The Company had engaged the services of National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders.

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 IND AS 24 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://www.starcement.co.in/upload/images/files/Revised-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 minimisation procedures. The risk policy provides for identification of risk, its assessments and procedures to minimise 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://www.starcement.co.in/upload/images/files/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 IND AS 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://www.starcement.co.in/upload/images/files/Policy-on-Material-Subsidiary.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 ₹ 43 Lakhs.
- Policy on Board Diversity: This Policy aims to set out the approach to achieving diversity for the Board of Directors of the Company. The Company believes that benefits of a professional board that possesses a balance of skills, experience, expertise will enhance the decision-making power of the Board which in turn will benefit the stakeholders of the Company.
- During the year the Company and its subsidiaries have not given any loans & advances to a Company where Directors are interested.
- Star Cement Meghalaya Limited, a material subsidiary, was incorporated on 22nd December, 2005 in Meghalaya in the name of "Meghalaya Logistics Limited". The name of the Company was changed on 12th March, 2007 from 'Meghalaya Logistics Limited' to 'Star Cement Meghalaya Limited'. M/s. Singh & Co., Chartered Accountants were appointed as a Statutory Auditors of the Company at the Board Meeting held on 16th May, 2022 and approval of the shareholders were obtained at the Annual General Meeting of the Company held on 22nd September, 2022 for a period of 5 (Five) years from the conclusion of 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting to be held in the year 2027.
- The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - Non-Executive Chairman's Office:** The Company does not have Non-Executive chairperson.
  - 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.
  - Modified Opinion in Audit Report:** The Company's financial statement for the year ended 31st March, 2023 does not contain any modified audit opinion.



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

- d) **Separate posts of Chairman and CEO:** The positions of Chairman and Chief Executive Officer (CEO) are not separate. The positions of Chairman and Chief Executive Officer (CEO) will be separate w.e.f. 20th May, 2023.
- 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 'Positive'. CRISIL Ratings, has affirmed the long term rating to '**CRISIL AA-/Positive**' (pronounced CRISIL double A minus). The outlook on the long-term rating is 'Positive'

### 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),

NSE Digital Exchange Portal 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

|                              |   |
|------------------------------|---|
| <b>Date and Time</b>         | <b>Thursday, 28th September, 2023 at 11.30 A.M</b>  |
| <b>Venue</b>                 | 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] |
| <b>Dates of Book Closure</b> | 22nd September, 2023 to 28th September, 2023 (Both days inclusive)  |

#### Financial Calendar (for the year 2023-24)

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, 2023        | Within 45 days from the end of quarter |
| Second Quarter ended 30th September, 2023  | Within 45 days from the end of quarter |
| Third Quarter ended 31st December, 2023    | Within 45 days from the end of quarter |
| Fourth/Last Quarter ended 31st March, 2024 | 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 Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
Stock Code - 540575

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

The Company has paid listing fees to NSE and BSE for the year 2023-24.

Annual Custody/Issuer fee for the year 2022-23 and 2023-24 has been paid by the Company to NSDL and CDSL.

### 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 financial year 2022-23 are as follows:

| Month          | Bombay Stock Exchange |         |           | National Stock Exchange |         |             |
|----------------|-----------------------|---------|-----------|-------------------------|---------|-------------|
|                | High (₹)              | Low (₹) | Volume    | High (₹)                | Low (₹) | Volume      |
| April 2022     | 96.00                 | 89.75   | 2,97,639  | 96.10                   | 90.00   | 27,37,643   |
| May 2022       | 93.90                 | 82.00   | 2,74,161  | 94.00                   | 82.00   | 20,06,937   |
| June 2022      | 91.45                 | 81.50   | 1,08,682  | 91.85                   | 81.00   | 11,46,078   |
| July 2022      | 90.70                 | 83.85   | 1,02,022  | 90.85                   | 84.05   | 9,67,082    |
| August 2022    | 99.00                 | 86.85   | 3,94,263  | 99.00                   | 87.10   | 38,54,068   |
| September 2022 | 111.05                | 92.25   | 9,05,533  | 111.00                  | 93.00   | 1,27,91,611 |
| October 2022   | 113.60                | 101.55  | 4,58,413  | 113.70                  | 102.15  | 50,22,199   |
| November 2022  | 109.40                | 100.70  | 3,04,639  | 109.50                  | 92.55   | 34,61,370   |
| December 2022  | 124.10                | 100.20  | 12,43,678 | 124.05                  | 100.15  | 1,55,53,307 |
| January 2023   | 120.00                | 101.45  | 7,80,754  | 119.70                  | 101.00  | 50,08,997   |
| February 2023  | 115.25                | 105.70  | 4,28,642  | 115.30                  | 105.50  | 35,68,759   |
| March 2023     | 119.95                | 104.15  | 22,68,203 | 118.95                  | 103.35  | 49,49,495   |

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 2022     | 58,568.51  | (2.57)   | 91.65           | 2.29     |
| May 2022       | 57,060.87  | (2.62)   | 87.90           | (4.09)   |
| June 2022      | 55,566.41  | (4.58)   | 85.35           | (2.90)   |
| July 2022      | 53,018.94  | 8.58     | 87.20           | 2.17     |
| August 2022    | 57,570.25  | 3.42     | 94.45           | 8.31     |
| September 2022 | 59,537.07  | (3.54)   | 106.05          | 12.28    |
| October 2022   | 57,426.92  | 5.78     | 106.20          | 0.14     |
| November 2022  | 60,746.59  | 3.87     | 106.45          | 0.24     |
| December 2022  | 63,099.65  | (3.58)   | 112.60          | 5.78     |
| January 2023   | 60,840.74  | (2.12)   | 108.85          | (3.33)   |
| February 2023  | 59,549.90  | (0.99)   | 109.85          | 0.92     |
| March 2023     | 58,962.12  | 0.05     | 111.80          | 1.78     |

### 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

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

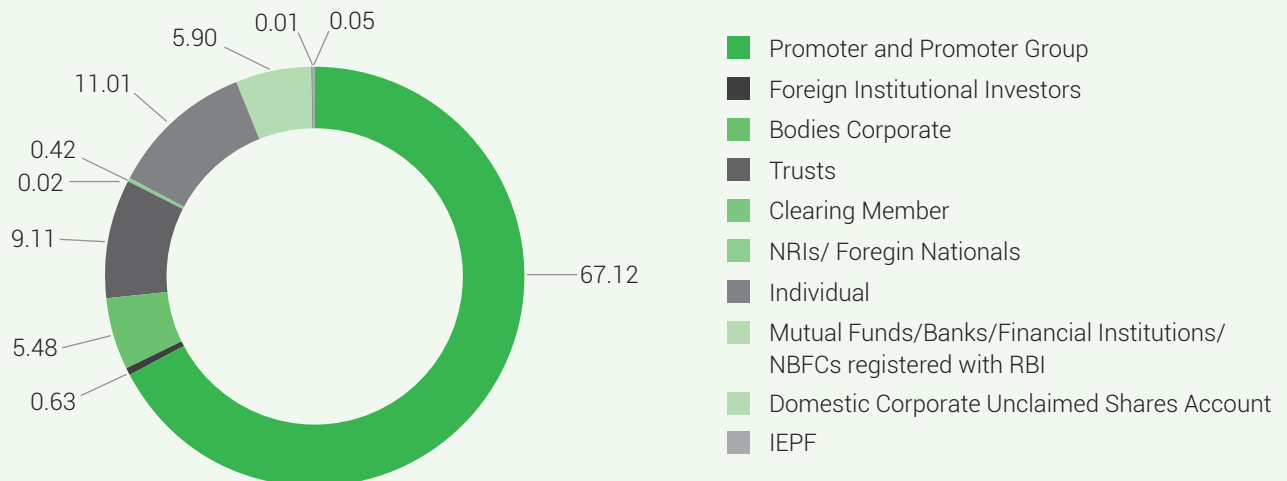
### Share Transfer System

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, 2023

| Shareholding    | Total No. of Shareholders | %     | No. of Shares | %     |
|-----------------|---------------------------|-------|---------------|-------|
| 1- 500          | 38408                     | 89.24 | 32,88,615     | 0.81  |
| 501-1000        | 2028                      | 4.71  | 16,18,364     | 0.40  |
| 1001-5000       | 1913                      | 4.45  | 43,77,374     | 1.08  |
| 5001-10000      | 321                       | 0.75  | 24,69,460     | 0.61  |
| 10001- 20000    | 154                       | 0.36  | 22,86,613     | 0.57  |
| 20001 and above | 215                       | 0.50  | 39,01,39,991  | 96.52 |
| Total           | 43039                     | 100   | 40,41,80,417  | 100   |



### Shareholding Pattern as on 31st March, 2023

| Category  | Number of Shareholders* | Number of Shares    | % of total Share Capital |
|---|-------------------------|---------------------|--------------------------|
| Promoter and Promoter Group   | 49                      | 27,12,68,472        | 67.12                    |
| Foreign Institutional Investors                                     | 51                      | 25,56,935           | 0.63                     |
| Bodies Corporate  | 240                     | 2,21,63,723         | 5.48                     |
| Trusts  | 4                       | 3,68,01,855         | 9.11                     |
| Clearing Member   | 34                      | 84,312              | 0.02                     |
| NRIs/ Foreign Nationals   | 809                     | 17,03,372           | 0.42                     |
| Individual  | 41183                   | 4,45,32,644         | 11.01                    |
| Mutual Funds/Banks/Financial Institutions/NBFCs registered with RBI | 6                       | 2,48,45,870         | 5.90                     |
| Domestic Corporate Unclaimed Shares Account                         | 1                       | 36,575              | 0.01                     |
| IEPF  | 1                       | 1,99,294            | 0.05                     |
| <b>TOTAL</b>  | <b>42373</b>            | <b>40,41,80,417</b> | <b>100.00</b>            |

\*Note : In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated 19th December, 2017. Shareholding of the promoter and promoter group, public shareholders and non-public non-promoter shareholders has been consolidated on the basis of the PAN and folio number.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)

### 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) Limited (CDSL).

40,36,51,826 Ordinary Shares of the Company representing 99.87% of the Company's share capital are dematerialised as on 31st March, 2023.

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

### RECONCILIATION OF SHARE CAPITAL AUDIT:

- i. Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on annual basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- ii. 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 dematerialised 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 01.04.2022 | 13                  | 36,575        |
| 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           |

| Particulars  | No. of shareholders | No. of shares |
|--|---------------------|---------------|
| Number of shareholders to whom shares were transferred from Suspense Account to IEPF during the year   | 4                   | 12635         |
| Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31.03.2023  | 9                   | 23940         |
| 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 of 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 2015-16 and the underlying shares for which dividends have not been claimed for 7 consecutive years or more have been transferred by the Company 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 30th June, 2022, to IEPF Authority at the website of the Company at [www.starcement.co.in](http://www.starcement.co.in). 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

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23 (Contd.)**

price risk is one of the important market risk for the Company. The Company has mechanism to ensure that the organisation 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 2401-5555  
Email: investors@starcement.co.in  
Website: 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: 19th May, 2023

**Sajjan Bhajanka**  
(Chairman)



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Star Cement Limited**

This Certificate is issued in accordance with the terms of our engagement with Star Cement Limited ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) & (t) of Regulation 46(2) and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

### MANAGEMENTS' RESPONSIBILITY

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### AUDITOR'S RESPONSIBILITY

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) & (t) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2023.

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.

### RESTRICTION ON USE

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No.302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147  
UDIN: 23059147BGYQAF8381

Place: Kolkata  
Dated: 19th May, 2023

## 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, 2023.

Place: Kolkata  
Date: 19th May, 2023

**Sajjan Bhajanka**  
Chief Executive Officer

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## 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, 2023 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 IND AS, 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: 19th May, 2023

**Sajjan Bhajanka**  
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 Janitia 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, 2023:

| Sl. No. | DIN      | Name                        | Designation                                     | Date of appointment |
|---------|----------|-----------------------------|---|---------------------|
| 1       | 00246043 | Mr. Sajjan Bhajanka         | Chairman & Managing Director                    | 1st April, 2012     |
| 2       | 00246171 | Mr. Rajendra Chamaria       | Vice Chairman & Managing Director               | 1st April, 2012     |
| 3       | 00246132 | Mr. Sanjay Agarwal          | Managing Director                               | 16th November, 2002 |
| 4       | 00591512 | Mr. Prem Kumar Bhajanka     | Managing Director                               | 16th November, 2002 |
| 5       | 00383635 | Mr. Pankaj Kejriwal         | Whole-time Director and Chief Operating Officer | 26th March, 2003    |
| 6       | 00343256 | Mr. Pramod Kumar Shah       | Independent Director                            | 13th November, 2017 |
| 7       | 03107920 | Mrs. Ibaridor Katherine War | Independent Director                            | 8th April, 2017     |
| 8       | 01375361 | Mrs. Plistina Dkhar         | Independent Director                            | 8th April, 2017     |
| 9       | 09037566 | Mr. Nirmalya Bhattacharyya  | Independent Director                            | 1st February, 2022  |
| 10      | 02107792 | Mr. Amit Kiran Deb          | Independent Director                            | 1st April, 2020     |
| 11      | 01125056 | Mr. Brij Bhushan Agarwal    | Non-Executive Director                          | 1st February, 2022  |
| 12      | 00957347 | Mr. Deepak Singhal          | Independent Director                            | 29th June, 2022     |

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31st March, 2023 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 these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Date: 19th May, 2023  
Place: Kolkata  
UDIN: A017190E000339446

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

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity** - L26942ML2001PLC006663
2. **Name of the Listed Entity** - Star Cement Limited
3. **Year of Incorporation** - 02nd November, 2001
4. **Registered office address** - Vill: Lumshnong, P.O. Khaliehriat, Dist. East Jaintia Hills, Meghalaya-793 210
5. **Corporate address** - Star Cement Limited, 'Century House', 2nd floor, P-15/1, Taratala Main Road, CPT Colony, Kolkata-700 088, West Bengal
6. **E-mail** - investors@starcement.co.in
7. **Telephone** - +91-33 24015555
8. **Website** - www.starcement.co.in
9. **Financial year for which reporting is being done:** 1st April, 2022 to 31st March, 2023
10. **Name of the Stock Exchange(s) where shares are listed** - National Stock Exchange of India Limited (NSE), BSE Limited (BSE)
11. **Paid-up Capital (₹)** - 40,41,80,417
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report** – Mr. Debabrata Thakurta, Company Secretary; debabratathakurta@starcement.co.in
13. **Reporting boundary** - Standalone basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|--------|------------------------------|----------------------------------|-----------------------------|
| 1.     | Manufacturing                | Cement and clinker manufacturing | 100%                        |

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| S. No. | Product/Service                     | NIC Code | % of total Turnover Contributed |
|--------|-------------------------------------|----------|---------------------------------|
| 1.     | Manufacturing of Cement and Clinker | 23941    | 100%                            |

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 3                | 6                 | 9     |
| International | 0                | 1                 | 1     |

#### 17. Markets served by the entity:

##### a. Number of locations:

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 10     |
| International (No. of Countries) | -      |

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### c. A brief on types of customers:

The Company caters to different types of customers across various sectors. Some of the major types of customers include retail customers, contractors and builders, government agencies for construction projects like bridges, roads and other infrastructure developments, institutional customers, industrial customers including educational institutions, hospitals, religious institutions that require cement for construction and maintenance purposes.

## IV. Employees

### 18. Details as at the end of Financial Year i.e. 31st March, 2023

#### a. Employees and workers (including differently abled):

| S. No.           | Particulars                    | Total (A)    | Male         |               | Female     |              |
|------------------|--------------------------------|--------------|--------------|---------------|------------|--------------|
|                  |                                |              | No. (B)      | % (B / A)     | No. (C)    | % (C / A)    |
| <b>EMPLOYEES</b> |                                |              |              |               |            |              |
| 1.               | Permanent (D)                  | 613          | 568          | 92.66%        | 45         | 7.34%        |
| 2.               | Other than Permanent (E)       | 336          | 292          | 86.90%        | 44         | 13.10%       |
| 3.               | <b>Total employees (D + E)</b> | <b>949</b>   | <b>860</b>   | <b>90.62%</b> | <b>89</b>  | <b>9.38%</b> |
| <b>WORKERS</b>   |                                |              |              |               |            |              |
| 4.               | Permanent (F)                  | 237          | 210          | 88.61%        | 27         | 11.39%       |
| 5.               | Other than Permanent (G)       | 1,238        | 1,159        | 93.62%        | 79         | 6.38%        |
| 6.               | <b>Total workers (F + G)</b>   | <b>1,475</b> | <b>1,369</b> | <b>92.81%</b> | <b>106</b> | <b>7.19%</b> |

#### b. Differently abled employees

| S. No.                             | Particulars                                      | Total (A) | Male     |           | Female   |           |
|------------------------------------|--|-----------|----------|-----------|----------|-----------|
|                                    |  |           | No. (B)  | % (B / A) | No. (C)  | % (C / A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |  |           |          |           |          |           |
| 1.                                 | Permanent (D)                                    | -         | -        | -         | -        | -         |
| 2.                                 | Other than Permanent (E)                         | -         | -        | -         | -        | -         |
| 3.                                 | <b>Total differently abled employees (D + E)</b> | <b>-</b>  | <b>-</b> | <b>-</b>  | <b>-</b> | <b>-</b>  |
| <b>DIFFERENTLY ABLED WORKERS</b>   |  |           |          |           |          |           |
| 4.                                 | Permanent (F)                                    | -         | -        | -         | -        | -         |
| 5.                                 | Other than permanent (G)                         | -         | -        | -         | -        | -         |
| 6.                                 | <b>Total differently abled workers (F + G)</b>   | <b>-</b>  | <b>-</b> | <b>-</b>  | <b>-</b> | <b>-</b>  |

### 19. Participation/inclusion/representation of women

|  | Total (A) | No. and percentage of females |         |
|--|-----------|-------------------------------|---------|
|  |           | No. (B)                       | % (B/A) |
| Board of Directors                           | 12        | 2                             | 16.67%  |
| Key Management Personnel (Senior Management) | 2*        | 0                             | 0%      |

\* Excluding Managing Director & CEO who has been included in the Board of Directors

### 19. Turnover rate for permanent employees

|                     | FY 22-23 |        |       | FY 21-22 |        |       | FY 20-21 |        |       |
|---------------------|----------|--------|-------|----------|--------|-------|----------|--------|-------|
|                     | Male     | Female | Total | Male     | Female | Total | Male     | Female | Total |
| Permanent Employees | 30%      | 18%    | 29%   | 36%      | 35%    | 36%   | 11%      | 17%    | 12%   |
| Permanent Workers   | 3%       | 16%    | 5%    | 18%      | 85%    | 23%   | 2%       | 11%    | 2%    |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**V. Holding, subsidiary and associate companies (including joint venture)**
**21. a. Name of the holding / subsidiary / associate companies / joint ventures (A) –**

| S No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity |
|-------|---|--|-----------------------------------|
| 1     | Megha Technical and Engineers Private Limited                               | Subsidiary   | 100%                              |
| 2     | Star Cement Meghalaya Limited   | Subsidiary   | 87%                               |
| 3     | Meghalaya Power Limited   | Subsidiary   | 100%                              |
| 4     | NE Hills Hydro Limited  | Subsidiary   | 100%                              |
| 5     | Star Cement (I) Limited # {formerly known as Star Cement Lumshnong Limited} | Subsidiary   | 60%                               |
| 6     | Star Cement Northeast Limited #   | Subsidiary   | 60%                               |
| 7     | Star Century Global Cement Private Limited                                  | Subsidiary   | 100%                              |

# 40% of shares is held by Star Cement Meghalaya Limited, a Material Subsidiary of Star Cement Limited

**b. Do the entities indicated in the above table participate in the Business Responsibility initiatives of the listed entity? (Yes/No):** No, however the Company mentioned above participate in CSR activities as per their requirements.

**VI. CSR details**
**22. i. Whether CSR is applicable as per Section 135 of Companies Act, 2013:** Yes

ii. **Turnover:** ₹ 27,31,20,84,986

iii. **Net worth:** ₹ 14,63,69,84,017

**VII. Transparency and Disclosures Compliances**
**23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy) | FY 22-23                                   |  |   | FY 21-22                                   |  |         |
|---|---|--|--|---|--|--|---------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | Yes. <a href="https://www.starcement.co.in/">https://www.starcement.co.in/</a> ;                                | -  | -  | None  | -  | -  | None    |
| Investors (other than shareholder)                |   | -  | -  | None  | -  | -  | None    |
| Shareholder                                       |   | -  | -  | None  | -  | -  | None    |
| Employees and workers                             |   | -  | -  | None  | -  | -  | None    |
| Customers   |   | 1232                                       | -  | Pending Resolution at the close of the FY 21-22 was resolved during the current financial year. | 974  | 2  | None    |
| Value Chain Partners                              |   | -  | -  | None  | 6  | -  | None    |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

| S. No. | Material issue identified                 | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity   | Approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|--------|---|--------------------------------------|--|--|---|
| 1.     | Air Quality                               | Risk                                 | Assuring emissions remain under acceptable limits to avoid adverse effects on health   | <ul style="list-style-type: none"> <li>Compliance with national and state regulations</li> <li>Continuous Emission Monitoring Systems (CEMS) and Continuous Ambient Air quality monitoring stations (AAQMS) installed</li> </ul>   | Punitive measures from regulatory bodies for non-compliance   |
| 2.     | Biodiversity                              | Risk                                 | Maintaining the natural ecological equilibrium and preserving habitats of fauna and flora in and around mines and plants   | Biodiversity management plan in place that caters to the safeguarding natural habitats surrounding the facilities.   | <ul style="list-style-type: none"> <li>Punitive measures from regulatory bodies for non-compliance</li> <li>Protection of natural habitats</li> <li>Enhance carbon sequestration</li> <li>Reputation/brand image</li> </ul> |
| 3.     | Energy and GHG Emissions                  | Risk and Opportunity                 | Mitigating the adverse impacts of climate change through reducing greenhouse gas emissions   | <ul style="list-style-type: none"> <li>Use of alternative materials to reduce clinker factor</li> <li>Improve energy efficiency</li> <li>Enhance Waste heat recovery and use of Renewable Energy (RE)</li> <li>Optimise fuel composition, along with the use of waste as alternative fuel</li> </ul> | <ul style="list-style-type: none"> <li>Reduces operating expenses and carbon emissions</li> <li>Increased capital expenditure in short term</li> </ul>  |
| 4.     | Innovation and Sustainable Product design | Opportunity                          | Developing innovative products to mitigate negative impacts on the environment and society at large  | <ul style="list-style-type: none"> <li>Collaborate with stakeholders to identify and explore new opportunities</li> <li>Invest in absorption of new technologies</li> </ul>  | <ul style="list-style-type: none"> <li>Competitive advantage</li> <li>Increase in margins and revenue due to creation of value-added products</li> </ul>  |
| 5.     | Materials                                 | Risk                                 | Complying with the prescribed standards as per BIS norms to ensure acceptable product quality and mitigating environmental and health hazards from use of hazardous substances | <ul style="list-style-type: none"> <li>Establish systems and processes to screen materials basis its attributes</li> <li>Develop mechanisms to store, handle, transport and use materials safely</li> </ul>  | <ul style="list-style-type: none"> <li>Increased operational costs in the short term</li> <li>Reputation/brand image</li> </ul>   |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

| S. No. | Material issue identified             | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity   | Approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|--------|---------------------------------------|--------------------------------------|--|--|--|
| 6.     | Transport and Logistics               | Opportunity                          | Building resilience in the supply chain through use of more affordable and low carbon alternatives                                     | <ul style="list-style-type: none"> <li>Optimise transportation logistics through route planning and implementation of Integrated logistics management</li> <li>Identifying alternative modes of transport</li> <li>Use of cleaner forms of transport including electric vehicles</li> </ul>                                | <ul style="list-style-type: none"> <li>Reduce transportation cost and enhance product margin</li> <li>Reduce greenhouse gas emissions</li> </ul> |
| 7.     | Waste management and Circular Economy | Risk and Opportunity                 | Prevent negative impacts on environment and society and promoting safe and responsible disposal of waste generated in the supply chain | Apply the 4R (Reduce, Reuse, Recycle and Recover) principles for gainful utilisation of waste resources  | <ul style="list-style-type: none"> <li>Reduces operating costs</li> <li>Punitive measures from regulatory bodies for non-compliance</li> </ul>   |
| 8.     | Water Management                      | Risk and Opportunity                 | Addressing water stress through judicious use of water as a resource   | <ul style="list-style-type: none"> <li>Identifying Alternative Sources of Water</li> <li>Optimising Water Consumption</li> <li>Maintaining Zero Liquid Discharge Status</li> </ul>   | <ul style="list-style-type: none"> <li>Increases cost in water scarce regions</li> <li>Noncompliance resulting in fines / penalties</li> </ul>   |
| 9.     | Community Engagement                  | Opportunity                          | Fostering community relationships by listening, responding, and engaging in activities that promote their socioeconomic growth.        | <ul style="list-style-type: none"> <li>Identification of vulnerable communities</li> <li>Undertaking community need assessment</li> <li>Selection of implementing partner</li> <li>Baseline survey</li> <li>Project implementation</li> <li>Project monitoring and evaluation</li> <li>Social impact assessment</li> </ul> | Investment towards community wellbeing and indirect economic development   |
| 10.    | Diversity and Inclusion               | Opportunity                          | To provide equal opportunity and build a safe space for workforce  | <ul style="list-style-type: none"> <li>Offering fair compensation, facilities, and benefits to everyone</li> <li>Preventing discrimination in workplace with respect to disabilities, age, religion, caste, gender</li> </ul>  | Improved employee productivity resulting in improved turnover  |
| 11.    | Human Rights                          | Risk                                 | To uphold and protect human rights.  | <ul style="list-style-type: none"> <li>Internal review of documents related to labor laws</li> <li>Compliance with the Human Rights Policy and the revised and applicable Labor Codes</li> </ul>   | Penal or disciplinary actions by regulatory/legal bodies   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

| S. No. | Material issue identified    | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity  | Approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)                                   |
|--------|------------------------------|--------------------------------------|---|---|--|
| 12.    | Labor Management             | Risk                                 | Resolving conflicts within coworkers and employees amicably   | Works Committee in place  | Disruption in operations leading to lower production   |
| 13.    | Occupational Health & Safety | Risk                                 | Prevention of work-related injuries and ill health through provision of safe and conducive work environment                     | <ul style="list-style-type: none"> <li>Fostering a culture of operational safety among the workforce through corrective actions, awards and recognitions.</li> <li>Developing competences by providing trainings on safety practices</li> <li>Adherence to safety norms in line with nationally recognised standards</li> </ul> | Punitive actions by regulators   |
| 14.    | Talent Development           | Opportunity                          | Enhancing the workforce productivity, retaining talented individuals, and accelerating company growth.                          | <ul style="list-style-type: none"> <li>Employees are provided with skill enhancement training.</li> <li>Provide regular feedback to employees through performance appraisal</li> <li>Motivating good performance through rewards, recognitions</li> </ul>   | Increased cost of hiring and training  |
| 15.    | Customer Centricity          | Opportunity                          | Upholding customer trust, maintaining transparency and ensuring their satisfaction is key to business growth                    | <ul style="list-style-type: none"> <li>Implementation of Customer Relationship Management (CRM)</li> <li>Enhancing engagement channels to gauge the satisfaction levels of customers and meet their expectations</li> </ul>   | Increase profitability and revenue through increase in sales and enhancing the penetration of value-added products in the market |
| 16.    | Data privacy and security    | Risk                                 | Reliance on digital tools and applications increases the vulnerability of potential cyber-attacks and associated digital risks. | <ul style="list-style-type: none"> <li>Implementation of ISO 27001:2013 and implementation of data privacy policy</li> <li>Establishing a disaster recovery system</li> <li>Reliance on secured networks/ERP such as SAP and AWS</li> </ul>   | Loss of personal and customer data can result in penalties and negatively impact trust of stakeholders                           |
| 17.    | Digitalisation               | Opportunity                          | Leveraging new technologies, optimise operations, and improve customer experiences.   | <ul style="list-style-type: none"> <li>Investing on digital innovations to enhance the digital footprint</li> <li>Collaborating with value chain partners for adoption of best in class technologies</li> </ul>   | Reduce operational cost<br>High Capital expenses in short run  |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

| S. No. | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity   | Approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|--------|---------------------------|--------------------------------------|--|---|--|
| 18.    | Supplier Sustainability   | Risk and Opportunity                 | Ensuring suppliers are compliant with the applicable laws and regulations is essential for business continuity | Integrate relevant ESG considerations within our evaluation criteria and assess supplier  | Disruption of supply chain resulting in decrease in revenue  |
| 19     | Business ethics           | Risk                                 | To carry business with transparency and accountability and prevent events of corruption, fraud and bribery.    | <ul style="list-style-type: none"> <li>Senior management's commitment to the Code of Conduct.</li> <li>Adherence to Anti-Bribery and Anti-Corruption Policy.</li> <li>Whistleblower system</li> </ul> | <ul style="list-style-type: none"> <li>Disciplinary measures by regulators and legal authority</li> <li>Impacts reputation and trust of the Company</li> </ul> |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

|    |  |
|----|--|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable            |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe  |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains                       |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders  |
| P5 | Businesses should respect and promote human rights   |
| P6 | Businesses should respect, protect and make efforts to restore the environment   |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development   |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner   |

|  | P 1  | P 2   | P 3            | P 4             | P 5 | P 6 | P 7             | P 8 | P 9 |     |
|--|--|---|----------------|-----------------|-----|-----|-----------------|-----|-----|-----|
| <b>Policy and management processes</b> |  |   |                |                 |     |     |                 |     |     |     |
| 1. a.                                  | Whether your entity's policies cover each principle and its core elements of the NGRBCs. (Yes/No)  | Yes   | Yes            | Yes             | Yes | Yes | Yes             | Yes | Yes | Yes |
| b.                                     | Has the policy been approved by the Board? (Yes/No)  | Yes   | Yes            | Yes             | Yes | Yes | Yes             | Yes | Yes | Yes |
| c.                                     | Web link of the policies, if available   | Policies are available at the website of the Company at <a href="https://www.starcement.co.in/investor/investor-information">https://www.starcement.co.in/investor/investor-information</a> . |                |                 |     |     |                 |     |     |     |
| 2.                                     | Whether the entity has translated the policy into procedures. (Yes / No)   | Yes   | Yes            | Yes             | Yes | Yes | Yes             | Yes | Yes | Yes |
| 3.                                     | Do the enlisted policies extend to your value chain partners? (Yes/ No)  | Yes   | Yes            | Yes             | Yes | Yes | Yes             | Yes | Yes | Yes |
| 4.                                     | Name the national and international codes/certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | -   | ISO 9001: 2015 | ISO 45001: 2018 | -   | -   | ISO 14001 :2015 | -   | -   | -   |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

**5&6** Specific commitments, goals and targets set by the entity with defined timelines, if any.

| Principles | Targets | Mandatory/<br>Voluntary | Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met. |
|------------|---------|-------------------------|---|
|            |         |                         |   |
|            |         |                         |   |
|            |         |                         |   |
|            |         |                         |   |

### GOVERNANCE, LEADERSHIP AND OVERSIGHT

#### 7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

As a responsible organisation in the cement industry, our Company is constantly analyzing and forecasting both global and national cement megatrends to stay ahead of the curve. We understand that the world is changing, and so is the demand for cement. In the global context, the slow but steady shift from developed to developing economies has resulted in increased demand for cement, especially in the Asia Pacific, Middle East, and African regions. On the other hand, developed economies focus more on sustainable outcomes as the climate change concern takes global attention. This has led to a growth in the production of eco-friendly alternatives, which we at our Company have focused on.

On a national level, we recognise that our customers require innovation and high-quality products. We believe that cement production must consider ecological and social responsibilities alongside other crucial factors. As such, our focus is to manufacture products that meet the standards of both developed and developing economies. In this regard, we aim to optimise the use of alternative raw materials, limit energy consumption, streamline supply chain, focus on distribution and transportation, and invest in research & development. We are committed to meeting and exceeding the expectations of our customers and forging strong partnerships through excellent customer service, constant innovation, and embracing cement megatrends.

At our Company, we hold ourselves to rigorous standards of governance. We prioritise accountability and transparency, and we have implemented various measures to ensure our conduct aligns with industry best practices. This includes conducting an annual assessment of our governance framework and processes to ensure their effectiveness and efficiency. The Company has embarked on its ESG Journey during the financial year. As part of this journey we have initiated integrating ESG factors in decision making and business expansion.

Our organisation's environment commitment enforces the use of environmentally responsible resources, ensures resource efficiency in operations and moderates the impact on climate change. We have enhanced the proportion of blended cement in our production to approximately 90%. We undertake continuous improvement in our energy efficiency and offset our carbon emissions through afforestation activities in and around its mines and plant operations. Further We have collaborated with a major petrochemical company for the usage of eco-friendly fuel- "Xtra Green", which produces lesser emissions. For the reduction of logistical emissions our Company has made back haul arrangements for transportation of clinker from Lumshnong to Guwahati with fly ash. We have also enhanced our water positivity through optimisation of water consumption and securing water from alternative sources.

As part of the social commitment of our organisation, we prioritise on building trust and relationship with our stakeholders including employee, suppliers, customer, and community groups. The Company promotes eco-efficiency amongst stakeholders by organising several engagements; one such event is 'Beat the Plastic Pollution' initiative, to promote responsible disposal of plastic.

Our Company's investment in creating an inclusive and safe workplace "has resulted in making Star Cement one of the great places to work. The ideation programme, "Star Sujhaav" fosters innovation within the organisation, leading to improved efficiency and delivering enhanced business value to our customers. Our customer centric approach is centered on developing digital solutions that enable stakeholders including dealers, engineers and distributors to collaborate effectively and enhance the customer experience. We are proud to offer a range of applications that promote 24\*7 engagement, such as WhatsApp for Business, Star Lotus App to engage contractors, Star Saathi App for dealer networks, and Star Stellar App to facilitate loyalty programs and other interactions with each stakeholder group.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

Our Company strongly believes that we have the potential to shape sustainable future. We are uniquely positioned to make long-term investments, explore new areas of growth, and pursue promising prospects. We extend our gratitude to all our stakeholders for their steadfast backing and confidence in our endeavors. As we stride ahead, we solicit their unflinching support and insights to gauge our sustainability practices against the highest standards.

Best Regards,

**Sajjan Bhajanka**  
Chairman & Managing Director

### 8. Details of the highest authority responsible for oversight of the Business Responsibility policy(ies).

| Serial No. | Particulars      | Details   |
|------------|------------------|---|
| 1          | DIN Number       | 00246043  |
| 2          | Name             | Mr. Sajjan Bhajanka                                   |
| 3          | Designation      | Chairman, Managing Director & Chief Executive Officer |
| 4          | Telephone number | +91 -33 24015555                                      |
| 5          | E-mail ID        | investors@starcement.co.in                            |

### 9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the Board level Risk Management Committee is responsible for decision-making on sustainability related issues and overseeing Business Responsibility policy(ies). The following are the members of Risk Management committee of the Board.

- Mr. Sanjay Agarwal, Managing Director ,DIN: 00246132
- Mr. Nirmalya Bhattacharyya, Independent Director, DIN: 09037566
- Mr. Pramod Kumar Shah, Independent Director DIN: 00343256 \*\*
- Mr. Vivek Chawla, Independent Director DIN: 02696336 ##

\*\* Mr. Pramod Kumar Shah has been ceased as an Independent Director due to expiry of this terms with effect from the close of business hours of 31st March, 2023

## Mr. Vivek Chawla have been appointed as the new Member of the Committee with effect from 1st April, 2023.

### 10. Details of Review of NGRBCs by the Company:

| Subject for Review  | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee                               | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|---|--|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|   |  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow-up action   | Yes, the Risk Management Committee is responsible for review of the Company's performance against the above policies           | Annual   |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes, the Audit Committee is responsible for review of the Company's statutory compliances through the internal audit mechanism | Quarterly  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |

### 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

| P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|
| The Company routinely conducts internal audits of its policies and monitors implementation of corrective actions for gaps identified in the processes and procedures. |    |    |    |    |    |    |    |    |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

|   | P 1            | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the principles material to its business (Yes/No)                           | Not applicable |     |     |     |     |     |     |     |     |
| The entity is not at a stage where it is in a position to formulate and implement the                   |                |     |     |     |     |     |     |     |     |
| policies on specified principles (Yes/No)   |                |     |     |     |     |     |     |     |     |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) |                |     |     |     |     |     |     |     |     |
| It is planned to be done in the next financial year (Yes/No)  |                |     |     |     |     |     |     |     |     |
| <b>Any other reason (please specify)</b>  |                |     |     |     |     |     |     |     |     |

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATOR (Mandatory)

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

| Segment   | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact  | % of persons in respective category covered by the awareness programmes |
|---|--|--|---|
| Board of Directors                              | 1  | Key elements of the nine National Guidelines on Responsible Business Code principles were familiarised upon along with their relevance to business and other stakeholders for an overall understanding of the implementation of ESG-related policies, procedures, and targets on operational and strategic level.                                  | 100%  |
| Key Managerial Personnel (KMP)                  | 1  | All nine principles prescribed under the National Guidelines on Responsible Business Code's were familiarised upon in a comprehensive manner, along with the implications in business and other stakeholders in the development of relevant risk management strategies.  | 100%  |
| Employees other than Board of Directors or KMPs | 1  | In order for business and other stakeholders to be aware of their responsibilities in adherence to the Company's commitment and to ensure effective implementation of the policies, the major elements under the nine principles of the National Guidelines on Responsible Business Code and their significance to business was familiarised upon. | 100%  |
| Workers   | 1  |  | 100%  |

#### 2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary        |   |                |            |                   |  |
|-----------------|---|----------------|------------|-------------------|--|
|                 | Name of the regulatory / enforcement agencies / judicial institutions | NGRB Principle | Amount (₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine    | Nil   |                |            |                   |  |
| Settlement      |   |                |            |                   |  |
| Compounding Fee |   |                |            |                   |  |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

| Non-Monetary |  |                |                   |  |
|--------------|--|----------------|-------------------|--|
|              | Name of the regulatory/ enforcement agencies/judicial institutions | NGRB Principle | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Nil  |                |                   |  |
| Punishment   |  |                |                   |  |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

In the reporting year, there were no incidents reported by the entity or by directors or KMPs that resulted in fines/penalties as punishment/award/compounding fees/settlement sums in procedures with regulators, law enforcement agencies, or judicial institutions.

| Case Details   | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---|
| Not Applicable |   |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company's Anti-corruption and Anti-Bribery Policy has been adopted to ensure adherence to the highest ethical standards in all its business operations. The Policy facilitates the detection and reporting of possible breaches by employees, agents, representatives, vendors, and business partners. The concerned stakeholders of the policy are empowered through the Company's Vigil Mechanism to report instances of any irregularity, unethical, illegal practice and/or misconduct.

The Policy takes into consideration all the applicable local laws and further enables them to identify and effectively report a potential breach.

The Policy also outlines the outcome of any breach of the Policy in the form of disciplinary action, which may even include termination of employment of employees and the immediate termination of any vendor or business partner arrangements.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

|           | FY 22-23 | FY 21-22 |
|-----------|----------|----------|
| Directors | Nil      | Nil      |
| KMPs      |          |          |
| Employees |          |          |
| Workers   |          |          |

**6. Details of complaints with regard to conflict of interest**

|  | FY 22-23 |         | FY 21-22 |         |
|--|----------|---------|----------|---------|
|  | Number   | Remarks | Number   | Remarks |
| Number of complaints received in relation to issues of conflict of interest of directors | Nil      | None    | Nil      | None    |
| Number of complaints received in relation to issues of conflict of interest of KMPs      | Nil      | None    | Nil      | None    |

**7. Provide details of any corrective action taken or under way on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

No such incidents related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest have taken place.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### LEADERSHIP INDICATORS (Voluntary)

#### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

| Total number of training and awareness programmes held | Topics/principles covered under the training and its impact  | % of Business Value of Value Chain Member covered under BRSR training |
|--|--|---|
| 1  | Key facets of the nine principles included in the National Guidelines on Responsible Business Code were discussed, along with their pertinent impacts on them. | 100%  |

#### 2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes, The Board of Directors of the Company are governed by Code of business conduct and ethics which has laid out the provisions on conflict of interest. The Code of Conduct is also applicable to all KMPs and Senior Management. They in turn, further incorporate the Code of Conduct in their respective verticals and departments, enabling the Code to cascade down to the all the other levels of employees. The mentioned code can be accessed at <https://www.starcement.co.in/>.

### PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

#### ESSENTIAL INDICATOR (Mandatory)

#### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

|       | FY 22-23 | FY 21-22    | Details of improvements in environmental and social impacts |
|-------|----------|-------------|---|
| R&D   | -        | -           |   |
| Capex | 0.26%    | 81.76 Lakhs | Details available in Principle 6 Leadership Indicator Q6    |

#### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).

Yes, Star Cement strives to ensure safe and efficient utilisation of resources throughout the product's life cycle. In this endeavour the Company has formulated a Product Stewardship Policy. Guided by the policy the Company is in the process of implementing procedures to assess suppliers based on environmental and social criteria.

#### b. If yes, what percentage of inputs were sourced sustainably?

In the upcoming year, the Company will aim to disclose proportion of input materials sourced from a sustainable supply chain based on a defined criteria as per the procedures.

#### 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for: (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.

The Company follows circularity principles in the operations as well as end use stages of the overall product lifecycle with the goal of reducing waste and disposing of it responsibly. The following mechanisms have been deployed by the Company for the treatment of waste

|                                 |  |
|---------------------------------|--|
| Plastics (including packaging), | For production of Cement the Company is using high quantity of Fly Ash which are imported in plastic bags and producing high quantity of plastic wastes which are disposing through pollution control board authorised recycling vendors |
| E-waste                         | The Company is not in the business of electronic consumer goods. However, the E-waste produced during the office operations is sold to the registered recyclers.   |
| Hazardous waste                 | The hazardous waste generated is disposed through the registered recyclers or disposers having permissions from State Pollution Control Boards   |
| Other waste                     | The Company utilizes in process jute waste as fuel for its captive power plant for the jute mill in Birlapur to generate steam and electricity   |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the Company is in the process of EPR registration and will develop an EPR plan for safe disposal of post-consumer plastic waste. The GGU plant has registered under the EPR as a brand owner. As per the Company's EPR plan, total plastic waste amounting to 1,694.89 MT was safely disposed for the year 2022-23.

**LEADERSHIP INDICATORS (Voluntary)**

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code   | Name of Product / Service | % of total Turnover contributed | % of total Turnover contributed | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|--|---------------------------|---------------------------------|---------------------------------|---|--|
| The Company is yet to conduct life cycle assessment of its products. |                           |                                 |                                 |   |  |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| Not Applicable            |                                   |              |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material                    | Recycled or re-used input material to total material |          |
|--|--|----------|
|  | FY 22-23   | FY 21-22 |
| Clinker (replaced by fly ash and slag)     | 31%  | 26%      |
| Chemical gypsum proportion of total gypsum | 9%   | 4%       |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

|                 | FY 22-23 (in MT) |          |                 | FY 21-22 |          |                 |
|-----------------|------------------|----------|-----------------|----------|----------|-----------------|
|                 | Reused           | Recycled | Safely disposal | Reused   | Recycled | Safely disposal |
| Plastic waste   | -                | -        | 1,694.89        | -        | -        | -               |
| e-waste         | -                | -        | -               | -        | -        | -               |
| Hazardous waste | -                | -        | -               | -        | -        | -               |
| Other waste     | -                | -        | -               | -        | -        | -               |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

| Indicate product category   | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| The Company is putting in place mechanisms to estimate the proportion of products and packaging sold for each category for disclosure in the upcoming reporting period. |   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

### ESSENTIAL INDICATOR (Mandatory)

#### 1. a. Details of measures for the well-being of employees

| Category                              | % of employees covered by |                  |             |                    |             |                    |              |                    |         |                     |         |
|---------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|--------------|--------------------|---------|---------------------|---------|
|                                       | Total (A)                 | Health insurance |             | Accident insurance |             | Maternity benefits |              | Paternity benefits |         | Day care facilities |         |
|                                       |                           | No. (B)          | % (B/A)     | No. (C)            | % (C/A)     | No. (D)            | % (D/A)      | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent employees</b>            |                           |                  |             |                    |             |                    |              |                    |         |                     |         |
| Male                                  | 568                       | 568              | 100%        | 568                | 100%        | -                  | -            | -                  | -       | -                   | -       |
| Female                                | 45                        | 45               | 100%        | 45                 | 100%        | 45                 | 100%         | -                  | -       | -                   | -       |
| <b>Total</b>                          | <b>613</b>                | <b>613</b>       | <b>100%</b> | <b>613</b>         | <b>100%</b> | <b>45</b>          | <b>7.34%</b> | -                  | -       | -                   | -       |
| <b>Other than Permanent employees</b> |                           |                  |             |                    |             |                    |              |                    |         |                     |         |
| Male                                  | 292                       | 292              | 100%        | 292                | 100%        | -                  | -            | -                  | -       | -                   | -       |
| Female                                | 44                        | 44               | 100%        | 44                 | 100%        | 8                  | 18.18%       | -                  | -       | -                   | -       |
| <b>Total</b>                          | <b>336</b>                | <b>336</b>       | <b>100%</b> | <b>336</b>         | <b>100%</b> | <b>8</b>           | <b>2.38%</b> | -                  | -       | -                   | -       |

#### b. Details of measures for the well-being of workers:

| Category                            | % of employees covered by |                  |             |                    |             |                    |               |                    |         |                     |         |
|-------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|---------------|--------------------|---------|---------------------|---------|
|                                     | Total (A)                 | Health insurance |             | Accident insurance |             | Maternity benefits |               | Paternity benefits |         | Day care facilities |         |
|                                     |                           | No. (B)          | % (B/A)     | No. (C)            | % (C/A)     | No. (D)            | % (D/A)       | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent workers</b>            |                           |                  |             |                    |             |                    |               |                    |         |                     |         |
| Male                                | 210                       | 210              | 100%        | 210                | 100%        | -                  | -             | -                  | -       | -                   | -       |
| Female                              | 27                        | 27               | 100%        | 27                 | 100%        | 27                 | 100%          | -                  | -       | -                   | -       |
| <b>Total</b>                        | <b>237</b>                | <b>237</b>       | <b>100%</b> | <b>237</b>         | <b>100%</b> | <b>27</b>          | <b>11.39%</b> | -                  | -       | -                   | -       |
| <b>Other than Permanent workers</b> |                           |                  |             |                    |             |                    |               |                    |         |                     |         |
| Male                                | 1159                      | 1159             | 100%        | 1159               | 100%        | -                  | -             | -                  | -       | -                   | -       |
| Female                              | 79                        | 79               | 100%        | 79                 | 100%        | 79                 | 100%          | -                  | -       | -                   | -       |
| <b>Total</b>                        | <b>1238</b>               | <b>1238</b>      | <b>100%</b> | <b>1238</b>        | <b>100%</b> | <b>79</b>          | <b>6.38%</b>  | -                  | -       | -                   | -       |

#### 2. Details of retirement benefits for the current and previous financial year

| Benefits | FY 22-23*  |  |  | FY 21-22*  |  |  |
|----------|--|--|--|--|--|--|
|          | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF       | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| Gratuity | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| ESI      | 7%   | 41%  | Y  | 8%   | 43%  | Y  |
| NPS      | 13%  | -  | Y  | -  | -  | -  |

\*Calculations are based on permanent employees and permanent workers

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**3. Accessibility of workplaces**

**Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the Company strives to provide an inclusive infrastructure that takes into account the demographics and composition of its workforce. All the Company's facilities are equipped with wheelchair facilities and ramps as per the Rights of Persons with Disabilities Act, 2016 to ensure access to differently abled employees.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Star Cement is an equal opportunity employer and ensures all persons are treated equally without any biasness irrespective of gender, caste, creed, colour, religion, disability, or sexual orientation. The Company has formulated an Employee Welfare Policy which commits towards creating and maintaining a fair, safe, healthy, nurturing, and vibrant work environment, across all its operations. As per the provisions of the Policy the Company ensures its facilities are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Policy is available on the website of the Company at <https://www.starcement.co.in/investor/investor-information>.

**5. Return to work and retention rates of permanent employees that took parental leave.**

| Gender       | Permanent employees |                | Permanent Workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | -                   | -              | -                   | -              |
| Female       | 100%                | 100%           | 100%                | 100%           |
| <b>Total</b> | <b>100%</b>         | <b>100%</b>    | <b>100%</b>         | <b>100%</b>    |

**6. Is there a mechanism available to receive and redress grievances for the Permanent and Non-permanent employees' categories of employees? If yes, give details of the mechanism in brief.**

|                                | Yes/No (If yes, then give details of the mechanism in brief)   |
|--------------------------------|--|
| Permanent Workers              | Yes, being a responsible, employee welfare-centric company, Star Cement have internally developed certain mechanisms and relevant committees for addressing grievances of employees and workers in various aspects. <ol style="list-style-type: none"> <li>At Star Cement, there is a work committee in place at operations level to address grievances from the plant level workers and employee.</li> <li>The Company has Sexual Harassment Committee in place where the employees can raise their concerns regarding workplace sexual harassment.</li> <li>Employees can directly raise concerns related to health and safety, working conditions and other concerns before the management team and redressal of raised concerns are done on priority basis.</li> </ol> |
| Other than Permanent Workers   |  |
| Permanent Employees            |  |
| Other than Permanent Employees |  |

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category                         | FY 22-23   |  |           | FY 21-22   |  |           |
|----------------------------------|--|--|-----------|--|--|-----------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) |
| <b>Total Permanent Employees</b> | <b>613</b>   | <b>-</b>   | <b>0%</b> | <b>579</b>   | <b>-</b>   | <b>0%</b> |
| Male                             | 568  | -  | 0%        | 537  | -  | 0%        |
| Female                           | 45   | -  | 0%        | 42   | -  | 0%        |
| <b>Total Permanent Workers</b>   | <b>336</b>   | <b>-</b>   | <b>0%</b> | <b>230</b>   | <b>-</b>   | <b>0%</b> |
| Male                             | 292  | -  | 0%        | 207  | -  | 0%        |
| Female                           | 44   | -  | 0%        | 23   | -  | 0%        |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 8. Details of training given to employees

| Category          | FY 22-23   |                               |               |                      |               | FY 21-22   |                               |               |                      |               |
|-------------------|------------|-------------------------------|---------------|----------------------|---------------|------------|-------------------------------|---------------|----------------------|---------------|
|                   | Total (A)  | On Health and safety measures |               | On Skill upgradation |               | Total (D)  | On Health and safety measures |               | On Skill upgradation |               |
|                   |            | No. (B)                       | % (B/A)       | No. (C)              | % (C/A)       |            | No. (E)                       | % (E/D)       | No. (F)              | % (F/D)       |
| <b>Employees*</b> |            |                               |               |                      |               |            |                               |               |                      |               |
| Male              | 568        | 426                           | 75.00%        | 426                  | 75.00%        | 537        | 376                           | 70.02%        | 401                  | 74.67%        |
| Female            | 45         | 27                            | 60.00%        | 34                   | 75.56%        | 42         | 23                            | 54.76%        | 35                   | 83.33%        |
| <b>Total</b>      | <b>613</b> | <b>453</b>                    | <b>73.90%</b> | <b>460</b>           | <b>75.04%</b> | <b>579</b> | <b>399</b>                    | <b>68.91%</b> | <b>436</b>           | <b>75.30%</b> |
| <b>Workers*</b>   |            |                               |               |                      |               |            |                               |               |                      |               |
| Male              | 210        | 147                           | 70.00%        | 154                  | 73.33%        | 207        | 145                           | 70.05%        | 136                  | 65.70%        |
| Female            | 27         | 19                            | 70.37%        | 16                   | 59.26%        | 23         | 15                            | 65.22%        | 14                   | 60.87%        |
| <b>Total</b>      | <b>237</b> | <b>166</b>                    | <b>70.04%</b> | <b>170</b>           | <b>71.73%</b> | <b>230</b> | <b>160</b>                    | <b>69.57%</b> | <b>150</b>           | <b>65.22%</b> |

\*Permanent employee

\*Permanent workers

### 9. Details of performance and career development reviews of employees

| Category          | FY 22-23   |            |             | FY 21-22   |            |             |
|-------------------|------------|------------|-------------|------------|------------|-------------|
|                   | Total (A)  | No. (B)    | % (B/A)     | Total (C)  | No. (D)    | % (D/C)     |
| <b>Employees*</b> |            |            |             |            |            |             |
| Male              | 568        | 568        | 100%        | 537        | 537        | 100%        |
| Female            | 45         | 45         | 100%        | 42         | 42         | 100%        |
| <b>Total</b>      | <b>613</b> | <b>613</b> | <b>100%</b> | <b>579</b> | <b>579</b> | <b>100%</b> |
| <b>Workers*</b>   |            |            |             |            |            |             |
| Male              | 210        | 210        | 100%        | 207        | 207        | 100%        |
| Female            | 27         | 27         | 100%        | 23         | 23         | 100%        |
| <b>Total</b>      | <b>237</b> | <b>237</b> | <b>100%</b> | <b>230</b> | <b>230</b> | <b>100%</b> |

\*Permanent employee

\*Permanent workers

### 10. Health and safety management system:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?**

Yes, the Occupational Health and Safety Management System (ISO 45001) has been implemented across all manufacturing facilities.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Regular Hazard Identification and Risk Assessments (HIRA) for routine and non-routine jobs are conducted, based on which risks are identified, assessed, and classified as high, moderate and acceptable, after which risk control and minimisation measures are defined to bring down the risk index within the acceptable limit. This process takes into account the root cause analysis from the incident investigation reports, safety rules violation identification through site safety audits, unsafe acts observed during safety observations and recommendations from external experts.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, the Company has instituted processes for workers to report the work-related hazards and to remove themselves from such risks. Employees and workers are empowered to bring to the attention of the management, safety concerns by reporting near misses. Subsequently these cases are analysed and investigated for corrective and preventive actions.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes. At Star Cement, the health and wellbeing of all employees are of the highest priority. At every site, the Company offers best in class medical facilities, including well-equipped health care centers and ambulance services. The Company has also employed skilled medical professionals, who are assisted by paramedics for required medical and healthcare services.

**11. Details of safety-related incidents**

| Safety Incident/Number  | Category  | FY 22-23 | FY 21-22 |
|---|-----------|----------|----------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.45     | -        |
|   | Workers   | -        | -        |
| Total recordable work-related injuries  | Employees | 1        | -        |
|   | Workers   | -        | -        |
| No. of fatalities (safety incident)   | Employees | -        | -        |
|   | Workers   | -        | -        |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | -        | -        |
|   | Workers   | -        | -        |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

Committed towards 'Zero Harm', the Company is dedicated towards ensuring the highest standards of health and safety at its workplace through the implementation of health and safety management system. The effectiveness in the implementation of safety management system is ensured through

- Physical verification of health and safety system implementation
- External audits as per requirement for certification/re-certification.
- Inducing a safety culture by motivating and encouraging employees to provide suggestions to improving safety performance
- Site safety observations by department officers, which are reviewed on monthly basis by plant head and the Chief Manufacturing Officer
- Continuous improvement of health and safety performance through modification of procedures, technology upgradation and leveraging digitalisation

**13. Number of complaints on the following made by employees:**

|                           | FY 22-23              |                                       |         | FY 21-22              |                                       |         |
|---------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                           | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| <b>Working conditions</b> | -                     | -                                     | None    | -                     | -                                     | None    |
| <b>Health and safety</b>  | -                     | -                                     | None    | -                     | -                                     | None    |

**14. Assessments for the year:**

|                                    | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|------------------------------------|---|
| <b>Health and safety practices</b> | 100%  |
| <b>Working Conditions</b>          | 100%  |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

| Accident Detail  | Corrective / Preventive Actions                              | Control Type           |
|--|--|------------------------|
| Star Cement Limited, Lumshnong<br>Cause of the incident:<br>It was observed that due to additional load on idler, its bearing was damaged. Further the idler guard was missing beneath this return idler | Area barricaded below overhead conveyor line                 | Engineering Control    |
|  | Checking of idlers in conveyor line                          | Engineering Control    |
|  | Suspend all plantation activity below overhead conveyor line | Administrative Control |

**LEADERSHIP INDICATORS (Voluntary)**

1. Does the entity extend any life insurance or any compensatory package in the event of death of?

|           | (Y/N) |
|-----------|-------|
| Employees | N     |
| Workers   | N     |

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

In all contractual obligations with value chain partners, statutory dues such as PF, ESI, etc. are deducted and paid accordingly. Specific contractual obligations are provided for such adherence.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

|           | Total no. of affected employees |          | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |          |
|-----------|---------------------------------|----------|---|----------|
|           | FY 22-23                        | FY 21-22 | FY 22-23  | FY 21-22 |
| Employees | -                               | -        | -   | -        |
| Workers   | -                               | -        | -   | -        |

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

5. Details on assessment of value chain partners

|                             | % of value chain partners (by value of business done with such partners) that were assessed                   |
|-----------------------------|---|
| Health and safety practices | The Company does not undertake assessment of value chain partners on health and safety and working conditions |
| Working conditions          |   |

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company has identified no risk associated with health and safety or working conditions amongst value chain members assessed during the reporting period.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**
**ESSENTIAL INDICATOR (Mandatory)**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

Star Cement values its relationship with its stakeholders and considers them as an essential part of the journey towards creating long term value. When identifying the major stakeholder groups, the Company takes into consideration the dependency, vulnerability, influence and frequency of engagement while identifying stakeholder groups.

The Company has identified several significant stakeholder groups, including customers, investors employees, communities, suppliers/vendors, dealers, government, and regulatory bodies. To identify significant challenges that are both operational and strategically oriented, the Company consults with its identified stakeholders.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

| Key Stakeholders | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication  | Frequency of engagement                                     | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|------------------|--|--|---|---|
| Customers        | No   | <ol style="list-style-type: none"> <li>Regular engagement through e-mails, calls, SMS, brochures and catalogues</li> <li>Site visits by company civil engineers</li> <li>Exhibitions and events</li> <li>Customer feedback</li> <li>Social media communication</li> <li>Marketing campaigns</li> <li>SAP ERM implementation</li> </ol>                       | Regular<br>Periodical<br>Annual Need-based                  | <ol style="list-style-type: none"> <li>Branded products</li> <li>Assured quality and product pricing</li> <li>Regular supply and timely delivery</li> <li>Seamless customer service</li> <li>Customer satisfaction and retention</li> </ol>   |
| Investors        | No   | <ol style="list-style-type: none"> <li>E-mails, one-on-one and group meetings</li> <li>Town hall meetings</li> <li>Employee engagement initiatives</li> <li>Star Sujhaav</li> <li>Cultural events</li> <li>Training and development workshops</li> <li>Health initiatives</li> <li>Performance appraisals</li> <li>Grievance redressal mechanisms</li> </ol> | Regular<br>Quarterly<br>Monthly<br>Continuous<br>Need-based | <ol style="list-style-type: none"> <li>Economic performance</li> <li>Sustainable business performance</li> <li>Risk management</li> <li>Ethical business practices and good corporate governance</li> <li>Regular payout either as dividend or buyback</li> <li>ESG integration into strategy and operations</li> <li>Transparent reporting and disclosure</li> </ol> |
| Employees        | No   | <ol style="list-style-type: none"> <li>E-mails, one-on-one and group meetings</li> <li>Town hall meetings</li> <li>Employee engagement initiatives</li> <li>Star Sujhaav</li> <li>Cultural events</li> <li>Training and development workshops</li> <li>Health initiatives</li> <li>Performance appraisals</li> <li>Grievance redressal mechanisms</li> </ol> | Regular<br>Quarterly<br>Monthly<br>Continuous<br>Need-based | <ol style="list-style-type: none"> <li>Training and development</li> <li>Health and safety matters</li> <li>Diverse, open, non-discriminatory, and safe working environment</li> <li>Fair practices, work-life balance and timely remuneration</li> <li>Performance evaluation and recognition</li> </ol>   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

| Key Stakeholders              | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication  | Frequency of engagement      | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|-------------------------------|--|--|------------------------------|--|
| Communities                   | Yes  | <ol style="list-style-type: none"> <li>1. CSR initiatives</li> <li>2. Focus on health, education, livelihood and generation of secondary source of income</li> <li>3. Skill development and training workshops</li> <li>4. Employee volunteering</li> </ol>  | Regular Programme-based      | <ol style="list-style-type: none"> <li>1. Infrastructure development</li> <li>2. Local employment</li> <li>3. Education with a focus of inclusiveness criteria (covering marginalised and tribal people)</li> <li>4. Social upliftment</li> <li>5. Community welfare initiatives</li> <li>6. Environment conservation</li> <li>7. Healthcare to the neighboring community and underprivileged</li> </ol> |
| Government/ Regulatory Bodies | No   | <ol style="list-style-type: none"> <li>1. Meetings, presentation, reports and networking in different forums organised by regulatory authorities</li> <li>2. Mandatory regulatory filings</li> <li>3. Periodical submission of business performance</li> <li>4. Annual report</li> <li>5. Written communications</li> </ol>      | Periodic Need-based          | <ol style="list-style-type: none"> <li>1. Compliance with laws and regulations</li> <li>2. Timely reporting through various compliance-based forms</li> <li>3. Active participation in industry and regulatory working groups</li> </ol>   |
| Vendors/ Suppliers            | No   | <ol style="list-style-type: none"> <li>1. Phone, e-mail or in person engagement</li> <li>2. Suppliers' meet, regular meetings, seminars, and workshops</li> <li>3. Capacity building and sustainability for suppliers</li> </ol>   | Regular Need-based           | <ol style="list-style-type: none"> <li>1. Fair and ethical procurement &amp; engagement practices</li> <li>2. Knowledge programmes to reduce supplier's risks</li> <li>3. Pricing and favourable terms of payment</li> <li>4. Timely clearance</li> <li>5. Addressing supplier grievances</li> </ol>   |
| Dealers                       | No   | <ol style="list-style-type: none"> <li>1. Annual dealer/channel meetings</li> <li>2. Conferences</li> <li>3. Marketing meetings and sales calls</li> <li>4. Channel satisfaction survey</li> <li>5. WhatsApp for Business</li> <li>6. Call Centre</li> <li>7. Sales incentive schemes</li> <li>8. App related support</li> </ol> | Periodical Annual Continuous | <ol style="list-style-type: none"> <li>1. level of customer satisfaction</li> <li>2. Dealers' network</li> <li>3. Maintaining brand reputation</li> <li>4. Assured quality</li> <li>5. Support in sales promotion</li> <li>6. Regular supply and timely delivery</li> <li>7. Profitability and return on investment</li> </ol>   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### LEADERSHIP INDICATORS (Voluntary)

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company's cross functional teams engage with stakeholders to understand their viewpoints and develop policies and strategies which strengthens the relationship. Interaction with the stakeholders create an opportunity to co-create long term solutions for mitigating environmental, social and governance risks.

The feedback received through such consultations are incorporated into the Company's strategy and policies and taken forward to the Board for their consideration.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company has engaged with internal and external stakeholders while identifying its ESG priorities, which have been considered while formulating the policies and strategies of the Company. The Company has reviewed the relevance of environmental and social topics to the sector and understood the requirements of applicable standards and rating indices while identifying the key topics of concerns. The positive and negative implications of these topics on stakeholders and the business were evaluated through one-to-one interaction and focused group discussion. The feedbacks received from them were prioritised and considered as part of the preparation of the BRSR policies for the nine principles.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Company makes conscious efforts towards inclusion of vulnerable communities residing in the proximity of its manufacturing units. The Company engages with communities through a need-based approach. The process involves actively listening to the voices of the community, prioritising their needs based on the CSR policy and implementing programmes in collaboration with not-for-profit organisations.

During the reporting period the Company created a positive change through interventions in the areas of livelihood, education, healthcare, rural infrastructure development and environment management.

### PRINCIPE 5: Businesses should respect and promote human rights

#### ESSENTIAL INDICATORS (Mandatory)

1. Employees who have been provided training on human rights issues and policy(ies)

| Category              | FY 22-23     |  |             | FY 21-22     |  |             |
|-----------------------|--------------|--|-------------|--------------|--|-------------|
|                       | Total (A)    | No. of employees / workers covered (B) | % (B / A)   | Total (C)    | No. of employees / workers covered (D) | % (C / D)   |
| <b>Employees</b>      |              |  |             |              |  |             |
| Permanent             | 613          | 613                                    | 100%        | 579          | 579                                    | 100%        |
| Other than permanent  | 336          | 336                                    | 100%        | 309          | 309                                    | 100%        |
| <b>Total employee</b> | <b>949</b>   | <b>949</b>                             | <b>100%</b> | <b>888</b>   | <b>888</b>                             | <b>100%</b> |
| <b>Workers</b>        |              |  |             |              |  |             |
| Permanent             | 237          | 237                                    | 100%        | 230          | 230                                    | 100%        |
| Other than permanent  | 1238         | 1238                                   | 100%        | 850          | 850                                    | 100%        |
| <b>Total workers</b>  | <b>1,475</b> | <b>1,475</b>                           | <b>100%</b> | <b>1,080</b> | <b>1,080</b>                           | <b>100%</b> |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 2. Details of minimum wages paid to employees

| Category                | FY 22-23     |                          |         |                           |         | FY 21-22     |                          |         |                           |         |
|-------------------------|--------------|--------------------------|---------|---------------------------|---------|--------------|--------------------------|---------|---------------------------|---------|
|                         | Total<br>(A) | Equal to<br>Minimum Wage |         | More than<br>Minimum Wage |         | Total<br>(D) | Equal to<br>Minimum Wage |         | More than<br>Minimum Wage |         |
|                         |              | No. (B)                  | % (B/A) | No. (C)                   | % (C/A) |              | No. (E)                  | % (E/D) | No. (F)                   | % (F/D) |
| <b>Employees</b>        |              |                          |         |                           |         |              |                          |         |                           |         |
| Permanent               | 613          | -                        | 0%      | 613                       | 100%    | 579          | -                        | 0%      | 579                       | 100%    |
| Male                    | 568          | -                        | 0%      | 568                       | 100%    | 537          | -                        | 0%      | 537                       | 100%    |
| Female                  | 45           | -                        | 0%      | 45                        | 100%    | 42           | -                        | 0%      | 42                        | 100%    |
| Other than<br>Permanent | 336          | -                        | 0%      | 336                       | 100%    | 309          | -                        | 0%      | 309                       | 100%    |
| Male                    | 292          | -                        | 0%      | 292                       | 100%    | 269          | -                        | 0%      | 269                       | 100%    |
| Female                  | 44           | -                        | 0%      | 44                        | 100%    | 40           | -                        | 0%      | 40                        | 100%    |
| <b>Workers</b>          |              |                          |         |                           |         |              |                          |         |                           |         |
| Permanent               | 237          | -                        | 0%      | 237                       | 100%    | 309          | -                        | 0%      | 309                       | 100%    |
| Male                    | 210          | -                        | 0%      | 210                       | 100%    | 269          | -                        | 0%      | 269                       | 100%    |
| Female                  | 27           | -                        | 0%      | 27                        | 100%    | 40           | -                        | 0%      | 40                        | 100%    |
| Other than<br>Permanent | 1238         | -                        | 0%      | 1238                      | 100%    | 850          | -                        | 0%      | 850                       | 100%    |
| Male                    | 1159         | -                        | 0%      | 1159                      | 100%    | 780          | -                        | 0%      | 780                       | 100%    |
| Female                  | 79           | -                        | 0%      | 79                        | 100%    | 70           | -                        | 0%      | 70                        | 100%    |

### 3. Details of remuneration/salary

|  | Male   |   | Female |   |
|--|--------|---|--------|---|
|  | Number | Median remuneration/<br>salary/wages of<br>respective category in ₹ | Number | Median remuneration/<br>salary/wages of<br>respective category in ₹ |
| Board of Directors (BoD)                     | 10     | 3,00,00,000   | 2      | -   |
| Key Managerial Personnel<br>(other than BoD) | 2      | 61,74,675   | -      | -   |
| Employees other than BoD and KMP             | 568    | 5,24,892  | 45     | 3,36,564  |
| Workers                                      | 210    | 2,44,542  | 27     | 1,91,532  |

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impact or issues caused or contributed to by the business?

Yes, the HR Head of each business division provides the highest level of executive oversight on managing human right concerns of the employees and workers of the Company. At the plant level the Company has established a Works Committee that is equally represented by the management and workers to address grievances.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Being a responsible, employee welfare-oriented organisation, the Company has developed multiple channels to address human rights related grievances of workers and employees. Employees and workers can address their grievances by

- Reporting to the Works Committee that is equally represented by workmen and managerial staff.
- Expressing their concern to the departmental or plant HR personnel. In case the concern is not satisfactorily resolved the concern can be escalated to the Corporate HR head.
- Reporting grievances pertaining to sexual harassment to the Prevention of Sexual Harassment Committee.
- Reporting concerns with respect to violation of the ethical practices through the Whistle Blower Mechanism



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**6. Number of Complaints on the following made by employees and workers:**

|  | FY 22-23              |   |         | FY 21-22              |   |         |
|--|-----------------------|---|---------|-----------------------|---|---------|
|  | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| <b>Sexual Harassment</b>                 | -                     | -   | None    | -                     | -   | None    |
| <b>Discrimination at workplace</b>       | -                     | -   | None    | -                     | -   | None    |
| <b>Child labor</b>                       | -                     | -   | None    | -                     | -   | None    |
| <b>Forced labor /Involuntary labor</b>   | -                     | -   | None    | -                     | -   | None    |
| <b>Wages</b>                             | -                     | -   | None    | -                     | -   | None    |
| <b>Other human rights related issues</b> | -                     | -   | None    | -                     | -   | None    |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

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://www.starcement.co.in/upload/images/files/Whistle-Blower-Policy-4.pdf>.

The Company also has in place a policy on Prevention of Sexual Harassment ("POSH") at workplace. The said policy aims at prevention of harassment of employees as well as contractors / vendors and lays down the guidelines for identification, reporting and prevention of any form of harassment. Concerns regarding any such incident can be addressed by reporting anonymously to the Internal Complaints Committee (ICC).

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human right requirements are covered in business agreements and contracts. All suppliers and contractors are required to abide by the terms and conditions prescribed in the agreement and contract to maintain the highest standards of ethics and integrity.

**9. Assessments for the year**

|                                    | % of offices that were assessed (by entity or statutory authorities or third parties) |
|------------------------------------|---|
| <b>Child labor</b>                 | 100%  |
| <b>Forced/involuntary labor</b>    | 100%  |
| <b>Sexual harassment</b>           | 100%  |
| <b>Discrimination at workplace</b> | 100%  |
| <b>Wages</b>                       | 100%  |
| <b>Others – please specify</b>     | 100%  |

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

The Company takes the necessary measures and corrective actions in accordance with the law and additionally maintain checks and balances to regularly monitor these aspects.

**LEADERSHIP INDICATORS (Voluntary)**
**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No significant changes to business processes have been made during the reporting period.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 2. Details of the scope and coverage of any human rights due diligence conducted.

The Company respects the fundamental rights of all persons associated with the organisation. The effectiveness of the mechanisms in place to manage human resources are periodically audited internally and which ensures compliance to applicable labour laws.

### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Star Cement Limited ensures accessible infrastructure for all. Hence the Company's infrastructure for employees also extend to the visitors to the Company's facilities. The Company strives to provide a multifaceted infrastructure by providing differently abled people with access to wheelchairs and ramp facilities to ensure ease in navigation within its premises

### 4. Details on assessment of value chain partners:

|                                       | <b>% of value chain partners (by value of business done with such partners) that were assessed</b> |
|---------------------------------------|--|
| <b>Sexual harassment</b>              | The Company does not undertake assessment of value chain partners on human right issues.           |
| <b>Discrimination at workplace</b>    |  |
| <b>Child labor</b>                    |  |
| <b>Forced labor/Involuntary labor</b> |  |
| <b>Wages</b>                          |  |
| <b>Others – please specify</b>        |  |

### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

The Company has not identified human right risks in the value chain during the reporting period.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS (Mandatory)

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

| Parameter  | FY 22-23                                | FY 21-22                                |
|--|---|---|
|  | TJ                                      | TJ                                      |
| <b>Total electricity consumption (A)</b>   | 639                                     | 575                                     |
| <b>Total fuel consumption (B)</b>  | 2,797                                   | 2,111                                   |
| <b>Energy consumption through other sources (C)</b>  | -                                       | -                                       |
| <b>Total energy consumption (A+B+C)</b>  | 3,436                                   | 2,686                                   |
| <b>Energy intensity per rupee of turnover (Total energy consumption/ (per rupee of turnover)</b> | 125 KJ/₹                                | 121 KJ/₹                                |
| <b>Energy intensity (optional) – the relevant metric may be selected by the entity</b>           | 1.62 GJ/tonne of cementitious materials | 1.66 GJ/tonne of cementitious materials |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company's Lumshnong facility has been identified as a designated consumer under PAT Cycle VII. The baselining assessment is ongoing based on which targets for FY 23-24 shall be defined.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**3. Provide details of the following disclosures related to water.**

| Parameter   | FY 22-23                              | FY 21-22                              |
|---|---------------------------------------|---------------------------------------|
| <b>Water withdrawal by source (in kiloliters)</b>                                     |                                       |                                       |
| (i) Surface water   | 3,31,816                              | 3,11,452                              |
| (ii) Groundwater  | 2,09,647                              | 1,88,073                              |
| (iii) Third party water   | 1,514                                 | 1,257                                 |
| (iv) Seawater/ desalinated water  | -                                     | -                                     |
| (v) Others  | -                                     | -                                     |
| <b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>       | <b>5,42,977</b>                       | <b>5,00,782</b>                       |
| <b>Total volume of water consumption (in kiloliters)</b>                              | <b>5,41,842</b>                       | <b>4,99,839</b>                       |
| <b>Water intensity per rupee of turnover (Water consumed / turnover)</b>              | <b>19.83 ML/₹</b>                     | <b>22.52 ML/₹</b>                     |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b> | 256 L/tonne of cementitious materials | 309 L/tonne of cementitious materials |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, the Company's facilities maintain a Zero Liquid Discharge status. The Company recognises the value of water as a resource and take proactive steps to recover wastewater for reuse in process and landscaping and dust suppression.

**5. Please provide details of air emissions (other than GHG emissions) by the entity.**

| Parameter                           | Please specify unit | FY 22-23 | FY 21-22 |
|-------------------------------------|---------------------|----------|----------|
| NOx                                 | Tonnes              | 342      | 476      |
| SOx                                 | Tonnes              | 717      | 886      |
| Particulate matter (PM)             | Tonnes              | 159      | 149      |
| Persistent organic pollutants (POP) |                     | -        | -        |
| Volatile organic compounds (VOC)    |                     | -        | -        |
| Hazardous air pollutants (HAP)      |                     | -        | -        |
| Others – please specify             |                     | -        | -        |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

| Parameter   | FY 22-23                                   | FY 21-22                                   |
|---|--|--|
| Total Scope 1 emissions -Metric Tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | 6,41,676.9 tCO2e                           | 4,70,549.2 tCO2e                           |
| Total Scope 2 emissions -Metric Tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | 1,44,641 tCO2e                             | 1,30,264.9 tCO2e                           |
| Total Scope 1 and Scope 2 emissions (per rupee of turnover) tCO2e   | 0.00000529 tCO2e/₹                         | 0.00000589 tCO2e/₹                         |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity                           | 370.87 kgCO2eq/tonne cementitious material | 371.33 kgCO2eq/tonne cementitious material |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Star Cement recognises the growing impact of climate change on its operations and believes it has a significant role in delivering the nations' promise towards achieving net zero by 2070. Thus, as a climate steward, the Company takes proactive measures with the intention of cutting down on the energy used in the operations, which also reduces the GHG emissions. The following measures form an integral part of the Company's low carbon strategy

#### Energy Efficient Initiatives

The Company invests in several energy conservation measures Initiatives that involve adopting new technologies and upgraded existing infrastructure to reduce its energy intensity (details of such measures are available as per the disclosure on section 134 (3) (m) of the Companies Act in this report)

#### Enhancing green energy

While the Company strives to improve upon its operational efficiency through identification and implementation of energy saving opportunities, it believes integrating green energy into operations to not only overcome challenges as a result of availability of fuel, but also build resilience against the rising fuel prices. Star Cement focusses at enhancing utilisation of green energy in the form of solar power and waste heat recovery to replace coal-based power. In this endeavour, the Company is undertaking feasibility studies for installation of 20 MW solar power plant.

#### Clinker Factor Reduction

By gradually lowering the amount of clinker in cement products and using alternative raw materials like fly ash and slag, the Company is able to lower the carbon footprint associated with the calcination of limestone. Approximately 90% of the Company's cement portfolio comprises of blended cement which is an integral part of our climate strategy.

### 8. Provide details related to waste management by the entity, in the following format:

| Parameter  | FY 22-23 (In MT)  | FY 21-22 (In MT)  |
|--|---|---|
| Plastic waste (A)  | 2046.95   | 2089.69   |
| E-waste (B)  | 2.55  | 1.31  |
| Bio-medical waste (C)  | 0.85  | 0.27  |
| Construction and demolition waste (D)  | -   | -   |
| Battery waste (E)  | 3.44  | 4.97  |
| Radioactive waste (F)  | -   | -   |
| Other Hazardous waste. Please specify, if any. (G)   | Used oil- 7.31 Spent Grease-7.09 Waste oil- 1.8 Used container-7 ETP Sludge-5.43            | Used oil- 6.27 ETP Sludge-6 Used container-52   |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)           | Metal Scrap- 713.61 Rubber scrap-55.01 Refractory bricks-534 Carton-1.2 Overburden-1,45,000 | Metal Scrap- 1,004 Rubber scrap-50.2 Refractory bricks-674 Carton-0.8 Overburden-60,000 |
| <b>Total (A+B + C + D + E + F + G + H)</b>   | <b>1,48,386.24</b>  | <b>63,889.51</b>  |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric Tonnes)</b> |   |   |
| <b>Category of waste</b>   |   |   |
| (i) Recycle  | 2,073   | 2,170   |
| (ii) Re-used   | 1,45,534  | 60,674  |
| (iii) Other recovery operations  |   |   |
| <b>Total</b>   | <b>1,47,607</b>   | <b>62,844</b>   |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric Tonnes)</b>                              |   |   |
| (i) Incineration   | 0.82  | 0.26  |
| (ii) Landfilling   | 0.03  | 0.01  |
| (iii) Other disposal operations  | 769   | 1,054   |
| <b>Total</b>   | <b>769.853</b>  | <b>1,054.27</b>   |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

While Star Cement's manufacturing process provides a unique value proposition to mitigate climate change by managing waste generated by societies and industries responsibly, the Company's environment management practices emphasise conservation of natural resources and efficient waste management practices. A dedicated team is deployed for regular collection, segregation and transportation of waste at end of life and is disposed to authorised vendors only.

**The following measures have been taken by the Company to manage significant waste in its operations**

|                                 |  |
|---------------------------------|--|
| Plastics (including packaging), | For production of Cement we are using high quantity of Fly Ash which are imported in plastic bags and producing high quantity of plastic wastes which are disposing through pollution control board authorised recycling vendors |
| E-waste                         | The Company is not in the business of electronic consumer goods. However, the E-waste produced during the office operations is sold to the registered recyclers.   |
| Hazardous waste                 | The hazardous waste generated is disposed through the registered recyclers or disposers having permissions from State Pollution Control Boards   |
| Biomedical waste                | The biomedical waste generated is incinerated through the registered recyclers or disposers having permissions from State Pollution Control Boards   |
| Battery waste                   | The battery waste generated is recycled through the registered recyclers or disposers having permissions from State Pollution Control Boards   |
| Other non-hazardous waste       | Other non-hazardous waste including metal scrap and rubber scrap are disposed responsibly through waste handlers   |

The Company's commitment to using environmentally friendly and safe materials is a key aspect of its commitment towards sustainability. This involves sourcing raw materials and inputs that have a lower environmental and social impact, such as alternative sources and recycled inputs. The Company's operations do not involve the use of harmful substances during production.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

| S. No. | Location of operations/offices | Type of operations                  | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If not, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|-------------------------------------|--|
| 1      | Lumshnong, Meghalaya           | Manufacturing of cement and clinker | Yes  |

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project  | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|----------------------|------|---|--|-------------------|
| The Company has not undertaken any EIA studies during the reporting period |                      |      |   |  |                   |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

| S. No. | Specify the law / regulation / guidelines which was not complied with   | Provide details of the non-compliance | Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|--|---------------------------------|
|        | Yes, the Company abides by all relevant environmental laws, rules, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder. Star Cement follows the State Pollution Control Board's procedures for reducing pollution by increasing production efficiency and technological advancement. |                                       |  |                                 |
|        | In accordance with the Water Act, Air Act, EPA, etc. The Company has also secured consent for establishment and Consent To Operate (CTO) and renews its CTO as required. .  |                                       |  |                                 |

**LEADERSHIP INDICATOR (Voluntary)**

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter  | FY 22-23     | FY 21-22     |
|--|--------------|--------------|
| <b>From renewable sources</b>  |              |              |
| Total electricity consumption (A) (TJ)                               | -            | -            |
| Total fuel consumption (B) (TJ)                                      | -            | -            |
| Energy consumption through other sources (C)                         | -            | -            |
| <b>Total energy consumed from renewable sources (A+B+C) (TJ)</b>     | -            | -            |
| <b>From non-renewable sources</b>                                    |              |              |
| Total electricity consumption (D) (TJ)                               | 639          | 575          |
| Total fuel consumption (E) (TJ)                                      | 2,797        | 2,111        |
| Energy consumption through other sources (F) (TJ)                    | -            | -            |
| <b>Total energy consumed from non-renewable sources (D+E+F) (TJ)</b> | <b>3,436</b> | <b>2,686</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged:

| Parameter   | FY 22-23 | FY 21-22 |
|---|----------|----------|
| Water discharge by destination and level of treatment (in kiloliters) |          |          |
| (i) To Surface water  | -        | -        |
| • No treatment  | -        | -        |
| • With treatment – please specify level of treatment                  | -        | -        |
| (ii) To Groundwater   | -        | -        |
| • No treatment  | -        | -        |
| • With treatment – please specify level of treatment                  | -        | -        |
| (iii) To Seawater   | -        | -        |
| • No treatment  | -        | -        |
| • With treatment – please specify level of treatment                  | -        | -        |
| (IV) Sent to third parties  | -        | -        |
| • No treatment  | -        | -        |
| • With treatment – please specify level of treatment                  | -        | -        |
| (v) Others  | -        | -        |
| • No treatment  | -        | -        |
| • With treatment – please specify level of treatment                  | -        | -        |
| <b>Total water discharged (in kiloliters)</b>                         | <b>-</b> | <b>-</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):**

For each facility / plant located in areas of water stress, provide the following information:

- i. **Name of the area** : Not Applicable
- ii. **Nature of operations** : Not Applicable
- iii. **Water withdrawal, consumption, and discharge in the following format**

| Parameter  | FY 22-23 | FY 21-22 |
|--|----------|----------|
| <b>Water withdrawal by source (in kilolitres)</b>                              |          |          |
| (i) Surface water  | -        | -        |
| (ii) Groundwater   | -        | -        |
| (iii) Third party water  | -        | -        |
| (iv) Seawater / desalinated water  | -        | -        |
| (v) Others   | -        | -        |
| <b>Total volume of water withdrawal (in kilolitres)</b>                        | -        | -        |
| <b>Total volume of water consumption (in kilolitres)</b>                       |          |          |
| Water intensity per rupee of turnover (Water consumed / turnover)              |          |          |
| Water intensity (optional) – the relevant metric may be selected by the entity | -        | -        |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>   |          |          |
| (i) To Surface water   |          |          |
| - No treatment   | -        | -        |
| - with treatment – please specify level of treatment                           | -        | -        |
| (ii) To Groundwater  |          |          |
| - No treatment   | -        | -        |
| - with treatment – please specify level of treatment                           | -        | -        |
| (iii) To Seawater  |          |          |
| - No treatment   | -        | -        |
| - with treatment – please specify level of treatment                           | -        | -        |
| (iv) Sent to third parties   |          |          |
| - No treatment   | -        | -        |
| - with treatment – please specify level of treatment                           | -        | -        |
| (v) Others   |          |          |
| - No treatment   | -        | -        |
| - with treatment – please specify level of treatment                           | -        | -        |
| <b>Total water discharged (in kilolitres)</b>                                  |          |          |

The Company has no operations located at water stressed regions.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not Applicable

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter   | Unit  | FY 22-23   | FY 21-22 |
|---|---|--|----------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | SCL will explore scope of estimating Scope 3 emissions in the next financial year. |          |
| Total Scope 3 emissions per rupee of Turnover   |   |  |          |
| Total Scope 3 emission intensity(optional) – the relevant metric may be selected by the entity  |   |  |          |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

The Company implements appropriate environmental control measures to ensure protection of biodiversity in the local community of Lumshnong. The Company provides monetary compensation on annual basis to the concerned local authorities to ensure management of biodiversity resources on a yearlong basis.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. | Initiative undertaken        | Details of the initiative (Web-link, if any, may be provided along with summary)  | Outcome of the initiative |
|--------|------------------------------|---|---------------------------|
| 1.     | Energy conservation measures | <ul style="list-style-type: none"> <li>• VFD installation in bag filter fans</li> <li>• VFD installation in PA fan</li> <li>• VFD installation in air compressor</li> <li>• Floor wise Lighting On-off through CCR as per requirement.</li> <li>• Replacement of HPSV lights with LED lights</li> <li>• Optimisation of RABH purging operation</li> <li>• Cement Mill 1 production, mix &amp; circuit optimised</li> <li>• Optimised bag house air purging system.</li> <li>• Providing hardware interlock in 38 Nos bag filter &amp; air slide fan's enclosures exhaust fans.</li> </ul> | Energy saved-36,748 GJ    |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.

Any accident, which has potential to develop into emergency and can threaten large no of person or large area of plant on site. These hazards can be a result of man-made actions resulting in fire, leakage of flammables, structural failure and act of terrorism; or due to natural calamities like earthquakes, floods and cyclones. Therefore, Emergency procedures are essential to protect plant, property, public and environment. The objectives of our emergency plan are as follows

- Rapid control of the Hazardous situation,
- Minimising the risk and impact of incident,
- Whether our system & resources are sufficient for handling of emergencies,
- Proper training of the concerned personnel, if required,
- Effective notification and communication system at the time of emergency.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Company has not identified environmental risks in the value chain during the reporting period.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company has not undertaken an assessment of value chain partners on environmental parameters.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### ESSENTIAL INDICATORS (Mandatory)

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is affiliated with 3 trade and industry chambers/associations.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1      | Bharat Chamber of Commerce                            | National  |
| 2      | Cement Manufacturer's Association                     | National  |
| 3      | Indian Chamber of Commerce                            | National  |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case  | Corrective action taken |
|-------------------|--|-------------------------|
|                   | The Company had received a notice from the Director General of Competition Commission of India (CCI) seeking various information on alleged cartelisation. 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 and are in the stage of Final Hearing.. |                         |

**LEADERSHIP INDICATORS (Voluntary)**

1. Details of public policy positions advocated by the entity:

| S. No.  | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|---|-------------------------|-----------------------------------|--|---|------------------------|
| The Company has not resorted to any such advocacy for or against any policies |                         |                                   |  |   |                        |

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**
**ESSENTIAL INDICATORS (Mandatory)**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project  | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|----------------------|----------------------|---|--|-------------------|
| The Company has been voluntarily conducting impact assessments through Independent Agencies to screen and evaluate select CSR programs. The Company takes cognisance of sub-rule 3 of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall initiate steps to conduct impact assessment of all applicable CSR projects. |                      |                      |   |  |                   |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

| S. No.   | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|--|--|-------|----------|---|--------------------------|---------------------------------------|
| The Company has no ongoing Rehabilitation and Resettlement (R&R) at any site |  |       |          |   |                          |                                       |

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has established a forum comprising of people, representing the Local administration, local citizen forum and management of Star Cement where all issues are discussed. The discussions cover aspects such as but not limited to project planning, project implementation strategy, grievance of the community, project functioning status. Through this forum, local people can put forth their needs and also suggestions for smooth implementation of the projects. The committee is periodically appraised about timely and delayed implementation of the project.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)****4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

|   | FY 22-23 (in %) | FY 21-22 (in %) |
|---|-----------------|-----------------|
| Directly sourced from MSMEs/ small producers                        | 3.08            | 2.21            |
| Sourced directly from within the district and neighboring districts | 1.19            | 0.39            |

**LEADERSHIP INDICATORS (Voluntary)****1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| Not applicable                               |                         |

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No. | State | Aspirational District   | Amount spent (In ₹) |
|--------|-------|---|---------------------|
| 1      | Assam | Goalpara, Barpeta, Hailakandi, Baksa, Darrang, Udalguri, Dhubri | ₹ 31 Lakhs          |

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

Yes. Star Cement's policy on "Inclusive Growth & Equitable Development" involves promoting local suppliers to enhance their livelihoods and facilitate the overall economic growth of the local region where the Company operates. The Company is dedicated towards developing a sustainable value chain that promotes the growth of micro-scale businesses and creates livelihood opportunities for vulnerable and marginalised communities. To achieve this, the Company invests significantly in engaging with MSMEs, local suppliers and vendors to foster diversity within its supply chain. In the upcoming years the Company aims to empower women entrepreneurs by partnering with businesses run by them.

**(b) From which marginalised / vulnerable groups do you procure?**

None

**(c) What percentage of total procurement (by value) does it constitute?**

Nil

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

During the reporting year, the Company did not collaborate with any entity to derive or share any benefits from the intellectual properties it acquired or owned.

| S. No.         | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|----------------|--|--------------------------|---------------------------|------------------------------------|
| Not applicable |  |                          |                           |                                    |

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Brief of the Case |
|-------------------|-------------------|-------------------|
| Not applicable    |                   |                   |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)**
**6. Details of beneficiaries of CSR Projects**

| S. No. | CSR Project                          | No. of persons benefited from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|--------|--------------------------------------|--|--|
| 1      | Health & Sanitation                  | 1,70,530                                   | 82%  |
| 2      | Education                            | 22,043                                     | 85%  |
| 3      | Livelihood & Skill Building          | 1,750                                      | 90%  |
| 4      | Emergency Relief & Rural Development | 1,14,890                                   | 79%  |
| 5      | Environment & Biodiversity           | 71,605                                     | 81%  |

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**
**ESSENTIAL INDICATORS (Mandatory)**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Star Cement receives and responds to complaints and feedback received from customers, dealers or sub dealers through Business WhatsApp, Customer Care, and India Mart. The Company analyzes the query, checks the customer details, categorises the query based on the type of request or concern, and assigning the concern to the appropriate department to resolve the same.

A unique ticket number is assigned to track the progress of the concern and the customer is kept informed about the updates. Once the query has been transferred to the appropriate department, the customer is notified that their query has been received and is being processed. The Company follows up with the customer after 48 hours to provide an update on their complain status. Once the query is resolved, the generated ticket is closed and marked as resolved in the system. This ensures that customer queries are handled efficiently and effectively, leading to greater customer satisfaction and loyalty.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

|  | As a percentage to total turnover |
|--|-----------------------------------|
| <b>Environmental and social parameters relevant to the product</b> | 100%                              |
| <b>Safe and responsible usage</b>                                  | 100%                              |
| <b>Recycling and/or safe disposal</b>                              | 100%                              |

**3. Number of consumer complaints in respect of the following:**

|   | FY 22-23                 |                                   |         | FY 21-22                 |                                   |         |
|---|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|   | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy  | -                        | -                                 | None    | -                        | -                                 | None    |
| Advertising   | 44                       | -                                 | None    | 40                       | -                                 | None    |
| Cyber-security  | -                        | -                                 | None    | -                        | -                                 | None    |
| Delivery of essential services  | -                        | -                                 | None    | -                        | -                                 | None    |
| Restrictive Trade Practices   | -                        | -                                 | None    | -                        | -                                 | None    |
| Unfair Trade Practices  | -                        | -                                 | None    | -                        | -                                 | None    |
| other - product performance complaints/ Accounts / Logistics / Purchase / Technical | 1188                     | -                                 | None    | 934                      | -                                 | None    |

**4. Details of instances of product recalls on account of safety issues:**

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil    | None               |
| Forced recalls    | Nil    | None               |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (Contd.)

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company is cognisant of the significance of sensitive information breach to third parties like competitors and trading partners. Considering the potential impacts and for the protection of its system, the Company has developed a information technology policies and procedures and the same is available on the website of the Company at <https://www.starcement.co.in/investor/investor-information>.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company has observed no such instances in the reporting year relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services, hence no corrective actions were required to be taken.

## LEADERSHIP INDICATORS (Voluntary)

### 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company communicates its product offerings through its website (<https://www.starcement.co.in/home>), product launches, advertisements and promotions in various social media platforms. Furthermore, the Company is involved in developing various in-house applications and expanded their digital footprint for more efficient business processes. The Company has introduced

- WhatsApp for Business to respond to the queries of channel partners and customers.
- Contractor engagement application named Star Lotus App Star Lotus to engage 6,000+ contractors in loyalty programme.
- Star Saathi App for strengthening the channels of distribution with its vast network of 2,100 dealers
- Star Stellar App for facilitating loyalty programme with 2,000+ engineers along their journey

### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company interacts with the customers to raise awareness on responsible use and disposal mechanisms of its products. The product labels include information on the quality, ingredients, and safe handling of the products, ensuring compliance with regulations related to customer health, safety, marketing, and labeling.

### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company's product portfolio does not fall under Essential Services Maintenance.

### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

Yes. The Company abides by the Bureau of Indian Standards regulations (BIS). As mandated by BIS, transparency is maintained with regards to product labelling and information, and no misleading labelling is done that may create confusion for consumers.

### Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company emphasises on ensuring customer satisfaction of its products, hence it engages with customers on a variety of platforms including social media campaigns, customer loyalty programs and brand equity surveys, to gauge their requirements.

These interactions provide valuable insights into the preferences and needs of its customer base, enabling the Company to tailor its products and services to better meet the demands. This proactive approach to customer engagement not only helps to improve customer satisfaction but also drives brand loyalty and fosters a stronger relationship with customers.

### 5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Nil

# 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 March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including 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 Standard) Rules 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the 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 audit opinion on the Standalone Financial Statements.

## 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 for the year ended March 31, 2023. 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 as Key audit matters to be communicated in our report.

| Key audit matters  | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Revenue recognition - Discounts, incentives, rebates, etc.</b><br/> <b>See Notes 1(D)(xxii) and 31 to Standalone Financial Statements</b></p> <ul style="list-style-type: none"> <li>Revenue of company primarily comprises of revenue from sale of cement. Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales.</li> <li>The Company's presence across different marketing regions within the country and the competitive business environment makes the assessment of various types of discounts, incentives and rebates complex and judgmental.</li> <li>Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives and rebates.</li> <li>Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue by influencing the computation of rebates and discounts.</li> <li>Considering the materiality of amounts involved and complexity and judgement required to assess the provision for discounts, incentives and rebates, this is a key audit matter</li> </ul> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>We have assessed the Company's accounting policies relating to revenue, discounts, incentives and rebates by comparing with applicable accounting standards.</li> <li>We have assessed the design and implementation and tested the operating effectiveness of Company's internal controls over the provisions, approvals and disbursements of discounts, incentives and rebates.</li> <li>We have assessed the Company's computations for accrual of discounts, incentives and rebates, on a sample basis, and compared the accruals made with the approved schemes and underlying documents.</li> <li>We have verified, on a sample basis, the underlying documentation for discounts, incentives and rebates recorded and disbursed during the year.</li> <li>We have compared the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to assess the current year accruals.</li> <li>We have examined the manual journals posted to discounts, rebates and incentives to identify unusual or irregular items</li> </ul> |

## INDEPENDENT AUDITOR'S REPORT (Contd.)

| Key audit matters   | How our audit addressed the key audit matter   |
|---|--|
| <b>Recognition and measurement of deferred taxes</b><br><b>See Notes 1(D)(xxiv) and 7 to Standalone Financial Statements</b>  |  |
| <ul style="list-style-type: none"> <li>Company has recognized MAT credit entitlement because of Tax holiday period in earlier years. As on March 31, 2023, the company is carrying MAT credit entitlement of <b>Rs. 16,261.66 Lakhs</b>. Realization of this credit is subject to taxable profits in the coming years.</li> <li>The recognition and measurement of deferred tax assets requires determination of deductible temporary differences and unused carry forward of unused tax credits that are recoverable in future periods.</li> <li>Assessment of recoverability of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecast of future taxable profits.</li> <li>We have considered the assessment of deferred tax assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</li> </ul>  | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</li> <li>Audit procedure also includes verification of management assessment regarding the future taxable profits.</li> <li>Furthermore, we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</li> </ul>  |
| <b>Litigation, Claims and Contingent Liabilities</b><br><b>See Notes 1(D)(xxvi) and 46 to Standalone Financial Statements</b>   |  |
| <ul style="list-style-type: none"> <li>The Company operates in various States within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. Due to a complex regulatory environment, there is an inherent risk of litigations and claims.</li> <li>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.</li> <li>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.</li> <li>Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted negotiation or litigation.</li> <li>These estimates and outcome could change significantly over time as new facts emerge and each legal case progresses.</li> <li>As on March 31, 2023, the Company has disclosed significant pending legal cases and other material contingent liabilities [Refer Note 46 to the Standalone financial statements]</li> <li>Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter</li> </ul> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of management's process and evaluated design and tested the operating effectiveness of management's key internal controls over assessment of litigations to ensure the accounting and disclosures are in compliance with the requirements of applicable accounting standards;</li> <li>We have gained an understanding of outstanding litigations against the Company from the Company's inhouse legal counsel and other key managerial personnel who have knowledge of these matters.</li> <li>We have read the correspondence between the Company and the various indirect tax/legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters.</li> <li>We have tested the completeness of the litigations and claims by examining, on a sample basis, the Company's legal expenses and minutes of the board meetings.</li> <li>We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for indirect tax and legal matters</li> </ul> |

### 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 Company's Directors Report, Management Discussion & Analysis Report, Corporate Governance report and Business Responsibility and Sustainability Report 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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 in the 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.

### MANAGEMENT'S RESPONSIBILITY 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 the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. 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, 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, 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 are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objective is 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 with reference to Standalone 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 and Board of Directors of the company.
- 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 and,
- 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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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 MATTERS

The comparative financial information of the Company for the year ended March 31, 2022 have been taken from the standalone financial statements for the year ended on that date which were audited by the predecessor auditor who expressed unmodified opinion on these standalone financial statements. We have placed reliance on the report dated May 17, 2022 given by the predecessor auditor for the purpose of these standalone financial statement and our report thereupon

Our opinion is not modified in respect to above matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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) 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;
  - (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, the Statement of Cash Flows and Statement of Changes in Equity 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 Companies (India Accounting Standards) Rules 2015 as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 46 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;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 52 to the Standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 52, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared any dividend in the previous year which has been paid in the current year. Further, no dividend has been declared in the current year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**(Gopal Jain)**  
(Partner)  
Membership No. 059147  
UDIN: 23059147BKYQAI5442

Kolkata  
Date: 19th day of May, 2023

## ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to Statutory Audit of Star Cement Limited for the year ended March 31, 2023)**

We report that:

- I. a. A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of property, plant & equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a reasonable period of time, which in our opinion, is reasonable having regard to the size of the company and nature its property, plant and equipment. In accordance with this programme, certain property, plant & equipment were physically verified during the year. No material discrepancies were noticed on such verification.
- c. 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 immovable properties (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
- d. The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- e. According to information and explanations given to us, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- II. a. The inventory, except goods-in-transit, has been physically verified by the management during the year. As the Company's inventory of raw materials and comprises mostly of bulk materials such as Clinker, Fly Ash, Gypsum, Coal, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of such inventories except in case of Fuel & Finished Goods, which have been properly dealt with in the books of account.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows (Refer note – 53 to the Standalone Financial Statements): -

| Name of bank  | Quarter      | Particulars        | Amount as per books of account | Amount as reported in the quarterly return/ statement | Amount of difference | Reason or variance   |
|---|--------------|--------------------|--------------------------------|---|----------------------|--|
| <ul style="list-style-type: none"> <li>• DBS Bank</li> <li>• State Bank of India</li> <li>• Indian Bank</li> <li>• Kotak Mahindra Bank</li> </ul> | March'23     | Net Current Assets | (725.51)                       | 11,332.97   | 12,058.48            | As explained by the management, the differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also due to audit/accounting adjustment entries carried out subsequently along with certain debtors; inter company (Group) balances were not considered by bank |
|   | December'22  | Net Current Assets | 9,750.16                       | 20,012.55   | 10,262.39            |  |
|   | September'22 | Net Current Assets | 3,287.73                       | 14,565.33   | 11,277.61            |  |
|   | June'22      | Net Current Assets | 5,732.03                       | 12,479.11   | 6,747.08             |  |

**ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

- iii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year except as mentioned below:

| Particulars  | Loan (Rs. in Lakhs) |
|--|---------------------|
| Aggregate amount granted/ provided during the year                         | 4,120.80            |
| -To Subsidiaries   | 4,120.80            |
| -To Others   | -                   |
| Balance outstanding as at the balance sheet date in respect of above cases | 3,916.49            |
| -To Subsidiaries   | 2,235.79            |
| -To Others   | 1,680.70            |

- b. During the year the company has paid share application money in one of its subsidiaries and made Investments in Bonds of certain financial institution. In our opinion and according to the information and explanation given to us, the terms and conditions investments / share application money made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except in case of Loans granted to Subsidiaries mentioned in clause iii(a) which are repayable on demand as per the terms of agreement. Further as explained to us there has been no default by the subsidiaries in respect of repayment of principal and interest.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted by the company that have fallen due during the year, which has been renewed or extended

or fresh loans granted to settle the overdues of existing loans given to same parties.

- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties except for two subsidiary companies and the details as required as per clause 3(iii)(f) of the Order is as follows.

| Particulars                                       | All Parties | Promoters | Related Parties (Subsidiary Companies) |
|---|-------------|-----------|--|
| Aggregate amount of loans granted during the year | 4,120.80    | Nil       | 4,120.80                               |
| - Repayable on Demand                             |             |           |  |
| Percentage of loans to the total loans            | 100 %       | -         | 100 %                                  |

- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loan granted by the company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- vii. According to the information and explanations given to us and on the basis of our examination of the books of account:
- (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State

**ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

Insurance, Income-tax, Sales-tax, Service Tax, Goods and Services tax, Duty of customs, Duty of excise, Value Added Tax, Cess and Other Statutory Dues applicable to it. In our opinion, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales

Tax, Service Tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to sub clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute are given below:

| Name of the statute   | Nature of dues   | Amount (Rs. In Lakhs) * | Period to which the amount relates | Forum where the dispute is pending  |
|---|--|-------------------------|------------------------------------|---|
| Income tax Act, 1961  | Income Tax Demand  | 49.61                   | A.Y 2017-18                        | National Faceless Appeal Centre (NFAC), New Delhi   |
| Income tax Act, 1961  | Income Tax Demand  | 2.56                    | A.Y 2018-19                        | National Faceless Appeal Centre (NFAC), New Delhi   |
| Income tax Act, 1961  | Income Tax Demand  | 13.50                   | A.Y 2021-22                        | Deputy Commissioner of Income Tax, Circle - Shillong  |
| The Central Excise Act, 1944  | Excise Duty Demand   | 48.57                   | F.Y. 2009-10 to 2013-14            | Customs, Excise and Service Tax Appellate Tribunal  |
| The Central Excise Act, 1944  | Demand for Education Cess and Secondary & Higher Education Cess on Excise duty | 566.05                  | Dec'04-Jan'13                      | Hon'ble High Court of Meghalaya   |
| MMDR ACT, 1957, (#) GST ACT, 2017 & VAT ACT                                       | Royalty, MEPR (##), GST/ VAT   | 4,184.06                | F.Y. 2014-15 to 2018-19            | Director of Mineral Resources, Meghalaya  |
| MMDR ACT, 1957 (#)  | Demand of Royalty & Cess on Coal, Sandstone, Clay and Shale                    | 2,650.31                | F.Y. 2012-13 to FY. 2022-23        | Divisional Mining officer, West Jaintia hills, Jowai  |
| MMDR Act, 1957 (#)  | District Mineral Foundation (DMF) Charges on Royalty                           | 399.00                  | F.Y. 2021-22 & FY 2022-23          | Directorate of Mineral Resources, Shillong  |
| Customs Act, 1962   | Custom Duty Demand   | 22.51                   | F.Y. 2012-13                       | Commissioner of Custom (preventive) Bhubaneswar   |
| CGST Act, 2017  | Transitional Credit  | 16.29                   | As on 30th June'17                 | Assistant Commissioner, Guwahati, Division-II   |
| Central Goods and Services Tax Act, 2017 & State Goods and Services Tax Act, 2017 | GST RCM Liability  | 2,200.91                | July'17 to Dec'18                  | Joint/Additional Commissioner of Central Goods & Service Tax, Central GST Commissionerate, Shillong |
| The Finance Act, 1994   | Service Tax on Royalty/ DMF/NMET   | 383.19                  | Apr'16 to June'17                  | Joint Commissioner, CGST, Shillong  |
| The Finance Act, 1994   | Service Tax Demand   | 216.58                  | Oct'14 to June'17                  | The Commissioner (Appeals), CGST, Central Excise and Customs, Guwahati, Assam                       |

((#) MMDR: Mines And Minerals (Development And Regulation) Act, 1957

(##) Meghalaya Environment Protection & Restoration Fund

\* Net of deposit / deposit under protest and to the extent quantified by the relevant authorities.

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.



**ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The company does not have any associate or joint venture.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have any associate or joint venture.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company which has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in Compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) & (b) of the Order is not applicable to the Company.
- b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- c. Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

**ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

- xvii. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note – 51 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

**For Singhi & Co.**

Chartered Accountants  
Firm's Registration No. 302049E

**(Gopal Jain)**

(Partner)

Membership No. 059147  
UDIN: 23059147BKYQAI5442

Kolkata

Date: 19th day of May, 2023

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to Statutory Audit of Star Cement Limited for the year ended March 31, 2023)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Standalone Financial Statements of **Star Cement Limited ("the Company")** as of 31st March 2023 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 with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to 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.

### **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 with reference to Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 Standalone 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of such internal financial controls, 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 STANDALONE FINANCIAL STATEMENTS**

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to Standalone 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

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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 to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal control with reference to Standalone Financial Statements criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singhi & Co.**

Chartered Accountants  
Firm's Registration No. 302049E

**(Gopal Jain)**

(Partner)  
Membership No. 059147  
UDIN: 23059147BKYQAI5442

Kolkata

Date: 19th day of May, 2023

# STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2023

(₹ in Lakhs)

| Particulars  | Note No | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------|---------------------------|---------------------------|
| <b>A. ASSETS</b>   |         |                           |                           |
| <b>Non-current assets</b>  |         |                           |                           |
| (a) Property, plant and equipment  | 2.1     | 48,427.22                 | 48,217.48                 |
| (b) Capital work-in-progress   | 2.2     | 36,014.24                 | 5,297.66                  |
| (c) Right-of-use assets  | 2.3     | 1,083.51                  | 1,218.81                  |
| (d) Intangible assets  | 3.1     | 396.07                    | 23.05                     |
| (e) Intangible assets under development  | 3.2     | -                         | 450.83                    |
| (f) Investment in subsidiaries   | 4       | 27,779.77                 | 27,783.77                 |
| (g) Financial assets   |         |                           |                           |
| (i) Investments  | 5       | 6,892.65                  | 13,021.35                 |
| (ii) Other financial assets  | 6       | 1,778.75                  | 6,010.11                  |
| (h) Deferred tax assets (net)  | 7       | 18,162.43                 | 22,264.64                 |
| (i) Non-Current tax assets (net)   | 8       | 105.87                    | 82.66                     |
| (j) Other non-current assets   | 9       | 12,135.39                 | 5,561.78                  |
| <b>Total non-current assets</b>  |         | <b>1,52,775.90</b>        | <b>1,29,932.14</b>        |
| <b>Current assets</b>  |         |                           |                           |
| (a) Inventories  | 10      | 16,826.19                 | 9,628.12                  |
| (b) Financial assets   |         |                           |                           |
| (i) Trade receivables  | 11      | 9,755.83                  | 12,877.82                 |
| (ii) Cash and cash equivalents   | 12      | 11,641.48                 | 477.45                    |
| (iii) Bank balances (other than (ii) above)  | 13      | 9,110.29                  | 23,154.87                 |
| (iv) Loans   | 14      | 3,916.49                  | 1,686.05                  |
| (v) Other financial assets   | 15      | 2,387.31                  | 8,811.64                  |
| (c) Other current assets   | 16      | 6,147.29                  | 4,615.21                  |
| <b>Total current assets</b>  |         | <b>59,784.88</b>          | <b>61,251.16</b>          |
| <b>Total assets</b>  |         | <b>2,12,560.78</b>        | <b>1,91,183.30</b>        |
| <b>B. EQUITY AND LIABILITIES</b>   |         |                           |                           |
| <b>Equity</b>  |         |                           |                           |
| (a) Equity Share capital   | 17      | 4,041.80                  | 4,041.80                  |
| (b) Other Equity   | 18      | 1,42,328.04               | 1,25,895.05               |
| <b>Total equity</b>  |         | <b>1,46,369.84</b>        | <b>1,29,936.85</b>        |
| <b>LIABILITIES</b>   |         |                           |                           |
| <b>Non-current liabilities</b>   |         |                           |                           |
| (a) Financial liabilities  |         |                           |                           |
| (i) Borrowings   | 19      | 2,913.08                  | 7,218.08                  |
| (ii) Lease liabilities   | 20      | 446.86                    | 553.65                    |
| (iii) Other financial liabilities  | 21      | 16,630.73                 | 15,534.89                 |
| (b) Provisions   | 22      | 579.82                    | 337.79                    |
| (c) Other non current liabilities  | 23      | 3.89                      | 25.69                     |
| <b>Total non-current liabilities</b>   |         | <b>20,574.38</b>          | <b>23,670.10</b>          |
| <b>Current Liabilities</b>   |         |                           |                           |
| (a) Financial liabilities  |         |                           |                           |
| (i) Borrowings   | 24      | 847.18                    | 405.36                    |
| (ii) Lease liabilities   | 25      | 177.53                    | 194.36                    |
| (iii) Trade payables   | 26      |                           |                           |
| (a) Total outstanding dues of micro enterprises and small enterprises                          |         | 840.62                    | 493.94                    |
| (b) Total outstanding dues of trade payable other than micro enterprises and small enterprises |         | 26,466.91                 | 21,822.67                 |
| (iv) Other financial liabilities   | 27      | 12,325.26                 | 7,059.60                  |
| (b) Other current liabilities  | 28      | 4,686.25                  | 7,290.60                  |
| (c) Provisions   | 29      | 166.88                    | 112.94                    |
| (d) Current Tax Liabilities (net)  | 30      | 105.93                    | 196.87                    |
| <b>Total current liabilities</b>   |         | <b>45,616.56</b>          | <b>37,576.35</b>          |
| <b>Total liabilities</b>   |         | <b>66,190.94</b>          | <b>61,246.45</b>          |
| <b>Total equity and liabilities</b>  |         | <b>2,12,560.78</b>        | <b>1,91,183.30</b>        |
| Significant accounting policies  | 1       |                           |                           |

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

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place : Kolkata

Date : 19th May, 2023

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

For and on behalf of Board of Directors

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

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



# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs except otherwise stated)

| Particulars  | Note No | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|--|---------|-------------------------------------|-------------------------------------|
| <b>1) INCOME</b>   |         |                                     |                                     |
| a) Revenue from operations   | 31      | 2,70,453.28                         | 2,19,610.27                         |
| b) Other income  | 32      | 2,667.57                            | 2,302.79                            |
| <b>Total Income</b>  |         | <b>2,73,120.85</b>                  | <b>2,21,913.06</b>                  |
| <b>2) EXPENSES</b>   |         |                                     |                                     |
| a) Cost of materials consumed                                      | 33      | 1,16,420.62                         | 95,594.28                           |
| b) Purchase of Stock-in-Trade                                      |         | 1,798.99                            | -                                   |
| c) Changes in inventories of finished goods and work- in- progress | 34      | (1,768.71)                          | 271.23                              |
| d) Employee benefit expense  | 35      | 13,811.70                           | 10,749.64                           |
| e) Finance costs   | 36      | 1,251.13                            | 1,236.19                            |
| f) Depreciation and amortisation expense                           | 37      | 7,751.63                            | 7,214.85                            |
| g) Power and Fuel expense  |         | 25,554.94                           | 18,780.88                           |
| h) Carriage Outward expense  |         | 50,754.03                           | 43,678.94                           |
| i) Other expenses  | 38      | 33,712.62                           | 27,559.28                           |
| j) Captive Consumption of Cement                                   |         | (1,050.26)                          | (209.75)                            |
| <b>Total expenses</b>  |         | <b>2,48,236.69</b>                  | <b>2,04,875.54</b>                  |
| <b>3) Profit before exceptional items and tax (1-2)</b>            |         | <b>24,884.16</b>                    | <b>17,037.52</b>                    |
| 4) Exceptional Items   |         | -                                   | -                                   |
| <b>5) Profit before tax (3-4)</b>                                  |         | <b>24,884.16</b>                    | <b>17,037.52</b>                    |
| <b>6) Tax expenses</b>   |         |                                     |                                     |
| - Current tax  | 39      | 4,397.01                            | 2,907.27                            |
| - Deferred tax   |         | 4,857.92                            | (3,497.00)                          |
| - Tax for earlier years  |         | (772.82)                            | (4.92)                              |
| <b>Total tax expenses</b>  |         | <b>8,482.11</b>                     | <b>(594.65)</b>                     |
| <b>7) Profit for the year (5-6)</b>                                |         | <b>16,402.05</b>                    | <b>17,632.17</b>                    |
| <b>8) Other comprehensive income</b>                               |         |                                     |                                     |
| Items that will not be reclassified to profit or loss:             |         |                                     |                                     |
| Remeasurements of defined benefit plan                             | 40A     | 47.56                               | 3.52                                |
| Income tax related to above  |         | (16.62)                             | (1.19)                              |
| <b>Other comprehensive income for the year</b>                     |         | <b>30.94</b>                        | <b>2.33</b>                         |
| <b>9) Total comprehensive income for the year (7+8)</b>            |         | <b>16,432.99</b>                    | <b>17,634.50</b>                    |
| <b>10) Earnings per equity share (face value of ₹ 1 each)</b>      | 40B     |                                     |                                     |
| Basic (in ₹)   |         | 4.06                                | 4.32                                |
| Diluted (in ₹)   |         | 4.06                                | 4.32                                |
| Significant accounting policies                                    | 1       |                                     |                                     |

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

As per our report of even date

### For Singhi & Co.

Chartered Accountants  
Firm Registration No.:302049E

### (Gopal Jain)

Partner  
Membership No. 059147

Place : Kolkata

Date : 19th May, 2023

### Manoj Agarwal

Chief Financial Officer

### Debabrata Thakurta

Company Secretary

### For and on behalf of Board of Directors

### Sajjan Bhajanka

Chairman, Managing Director & CEO  
DIN:00246043

### Rajendra Chamaria

Vice-Chairman & Managing Director  
DIN:00246171

# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars   | Amount          |
|---|-----------------|
| <b>As at 1st April, 2021</b>                              | <b>4,124.29</b> |
| Changes during the year:                                  |                 |
| Equity shares extinguished on buy back - Refer Note 17(b) | (82.49)         |
| <b>As at 31st March, 2022</b>                             | <b>4,041.80</b> |
| Changes during the year                                   | -               |
| <b>As at 31st March, 2023</b>                             | <b>4,041.80</b> |

## B. OTHER EQUITY

(₹ in Lakhs)

| Particulars                                    | Reserve and surplus                |                 |                 |                    | Total other equity |
|--|------------------------------------|-----------------|-----------------|--------------------|--------------------|
|  | Capital Redemption Reserve Account | Capital reserve | General reserve | Retained Earnings  |                    |
| <b>Balance as at 1st April, 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> |
| Profit for the year                            | -                                  | -               | -               | 17,632.17          | 17,632.17          |
| Other comprehensive income(net of tax)         | -                                  | -               | -               | 2.33               | 2.33               |
| <b>Total comprehensive income for the year</b> | <b>-</b>                           | <b>-</b>        | <b>-</b>        | <b>17,634.50</b>   | <b>17,634.50</b>   |
| Buyback of Equity Shares during the year       | 82.49                              | -               | -               | (15,236.04)        | (15,153.55)        |
| <b>Balance as at 31st March, 2022</b>          | <b>150.49</b>                      | <b>643.53</b>   | <b>3,187.83</b> | <b>1,21,913.20</b> | <b>1,25,895.05</b> |
| Profit for the year                            | -                                  | -               | -               | 16,402.05          | 16,402.05          |
| Other comprehensive income (net of tax)        | -                                  | -               | -               | 30.94              | 30.94              |
| <b>Total comprehensive income for the year</b> | <b>-</b>                           | <b>-</b>        | <b>-</b>        | <b>16,432.99</b>   | <b>16,432.99</b>   |
| <b>Balance as at 31st March, 2023</b>          | <b>150.49</b>                      | <b>643.53</b>   | <b>3,187.83</b> | <b>1,38,346.19</b> | <b>1,42,328.04</b> |

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

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place : Kolkata

Date : 19th May, 2023

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

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

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

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

# STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                     |  |  |
| Profit before Tax  | 24,884.16                              | 17,037.53                              |
| <b>Adjustments for :</b>   |  |  |
| Depreciation and amortisation expenses   | 7,541.03                               | 6,978.22                               |
| Amortisation of right-of-use- assets   | 210.60                                 | 236.63                                 |
| (Profit)/ Loss on Sale of Property ,Plant and Equipment                          | 0.13                                   | 0.68                                   |
| Interest Income  | (2,505.62)                             | (2,283.03)                             |
| Finance Costs  | 1,251.13                               | 1,236.19                               |
| Fair Valuation (gain)/ Loss on investments                                       | (6.76)                                 | (7.77)                                 |
| Allowance for doubtful trade receivables   | 204.73                                 | 4.99                                   |
| <b>Operating Profit before working Capital changes</b>                           | <b>31,579.39</b>                       | <b>23,203.44</b>                       |
| <b>Adjustments for :</b>   |  |  |
| (Increase)/Decrease in Trade receivables   | 2,917.27                               | 225.90                                 |
| (Increase)/Decrease in Inventories   | (7,198.08)                             | (140.67)                               |
| (Increase )/Decrease in Loans  | (2,230.43)                             | (5,639.22)                             |
| (Increase )/Decrease in Other assets   | 4,325.11                               | 7,153.53                               |
| Increase /(Decrease ) in trade and other payables                                | 4,990.92                               | (4,921.80)                             |
| Increase /(Decrease ) in Other Liabilities and Provisions                        | 499.61                                 | 8,559.80                               |
| <b>Cash Generated from Operations</b>  | <b>34,883.79</b>                       | <b>28,440.98</b>                       |
| Income Tax Paid (Net of Refunds)   | (4,494.04)                             | (2,450.00)                             |
| <b>Net cash flow from Operating Activities</b>                                   | <b>30,389.76</b>                       | <b>25,990.98</b>                       |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                     |  |  |
| Purchase of Property, Plant and Equipment and intangible assets (including CWIP) | (41,642.05)                            | (7,646.47)                             |
| Sale of Property ,Plant and Equipment  | 93.81                                  | 202.20                                 |
| Redemption/(Investments) in Fixed Deposits/Margin Money (Net)                    | 19,614.57                              | 9,837.40                               |
| (Purchase)/ Sale of Investments  | 4,939.47                               | (12,700.00)                            |
| Interest Received  | 3,006.43                               | 2,263.51                               |
| <b>Net Cash used in Investing Activities</b>                                     | <b>(13,987.78)</b>                     | <b>(8,043.36)</b>                      |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                     |  |  |
| Buy back of Equity Shares  | -                                      | (15,236.04)                            |
| Repayment of Long Term Borrowings  | (4,305.00)                             | (4,315.37)                             |
| Proceeds from /(Repayment) of Short Term Borrowings                              | 441.81                                 | (281.52)                               |
| Interest paid  | (1,251.13)                             | (1,196.02)                             |
| Payment of Lease liability   | (123.63)                               | (40.17)                                |
| <b>Net Cash used in Financing Activities</b>                                     | <b>(5,237.95)</b>                      | <b>(21,069.12)</b>                     |
| <b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>             | <b>11,164.03</b>                       | <b>(3,121.50)</b>                      |
| <b>Cash and Cash equivalents at the beginning of the year</b>                    | <b>477.45</b>                          | <b>3,598.95</b>                        |
| <b>Cash and Cash equivalents at the end of the year</b>                          | <b>11,641.48</b>                       | <b>477.45</b>                          |

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

Notes :

- The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7).
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

| Particulars        | (₹ in Lakhs)             |                          |
|--------------------|--------------------------|--------------------------|
|                    | As at<br>31st March 2023 | As at<br>31st March 2022 |
| Cash on hand       | 42.93                    | 40.70                    |
| Cheques on hand    | 12.10                    | 18.35                    |
| Balance with Banks | 11,586.45                | 418.40                   |
|                    | <b>11,641.48</b>         | <b>477.45</b>            |

- Figures for the previous years have been regrouped wherever considered necessary.
- Income Tax paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have any material impact on the Statement of Cash Flows therefore reconciliation has not been given.

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

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E  
  
**(Gopal Jain)**  
Partner  
Membership No. 059147  
Place : Kolkata  
Date : 19th May, 2023

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

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

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2023

### NOTE 1 | CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

#### A. 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.

#### B. Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

These standalone Financial Statements were approved for issue in accordance with the resolution of the Board of Directors on 19th May, 2023.

#### C. New Accounting Pronouncements

##### (i) Adoption of New Accounting Pronouncements

##### (a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

##### (b) Ind AS 16 – Proceeds Before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property plant and equipment.

##### (c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs

that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

##### (d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid the borrower includes amounts paid by the borrower to or on behalf of the lender, and fees received include amounts paid by the lender to or on behalf of the borrower.

These amendments are effective from April 01, 2022 and the effect of these amendments has been incorporated in these financial statements to the extent applicable to the Company. However, these amendments do not have significant impact on the standalone financial statements of the Company.

##### (ii) Application of New Amendments Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2023, as below:

##### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

##### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

##### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

The Company does not expect the above amendments to have any significant impact in its standalone financial statements.

### D. Significant Accounting Policies

#### (i) Basis of Preparation & Presentation

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

##### (a) 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 measured at Fair value of plan assets less present value of defined benefit obligations
- Investment in bonds is measured at amortised cost
- Investment in equity shares, other than investment in subsidiaries is measured at fair value
- Certain financial assets and financial liabilities that are measured at fair value / amortized cost.

##### (b) 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) held primarily for the purpose of trading and other criteria set out in the Schedule III to the Act.

##### (c) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off in decimals to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### (ii) Use of Estimates

The preparation of financial statements is in conformity with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 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:

##### a) Classification of legal matters and tax litigation

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

##### b) Defined benefit obligations

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long- term nature of the plan, such estimates

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

### c) Useful life of property, plant and equipment

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### d) Leases Ind AS 116

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the implicit rate in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

### e) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model / Adjusted Net Assets Value method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### f) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset

can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

### (iii) 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 Company's standalone financial statements are presented in Indian Rupees which is the Company's functional 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 recognized 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.

### (iv) 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, amortization 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.

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### (v) Capital Work in Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

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, prior to commencement of commercial production/ completion of project are capitalised.

### (vi) 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 except in case of following:

- Corporate Office building, which is owned by the company and depreciated using the straight-line method over the period of lease of land on which it is constructed.
- Mines development expenses incurred on free hold mining land are depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.
- Railway sidings the ownership of which vests with the Railway authorities are depreciated over the period of agreement with Railway Authorities.

Depreciation is provided on components that have homogenous useful lives. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### (vii) 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 recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### (viii) Intangible Asset

An intangible asset is recognized 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.

### (ix) Amortization of intangible assets

The amortization 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.

### (x) 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.

### (xi) Lease-

#### **As a Lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes 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 recognized, 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 recognizes 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.

### **(xii) Government Grants and Subsidies**

Government grants and subsidies are recognized 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 recognized in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized 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.

### **(xiii) 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, 2023 (Contd.)

### (xiv) Investment in Subsidiaries

The Company's investments in its subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries or the loss of significant influence over associates, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

#### a) 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### (xv) Trade receivables

Trade receivables that do not contain any significant financing component are recognized 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 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.

### (xvi) 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.

### (xvii) 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.

#### 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.

### (xviii) 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.

### (xix) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized 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 recognized 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.

### (xx) 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

### (xxi) 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.

### (xxii) Revenue Recognition

#### (A) Sale of Goods

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations in sales contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that

the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services.

The Company does not expect to have any contracts where the period between transfer of promised goods or services to the customer and payment by customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### Contract balances

##### Trade Receivables and Contract Assets

A trade receivable is recognized when the products are delivered to a customer and consideration becomes unconditional. Contract assets are recognized when the Company has a right to receive consideration that is conditional other than the passage of time.

##### Contract Liabilities

Contract liabilities is a Company's obligation to transfer goods or services to a customer which the entity has already received consideration. Contract liabilities are recognized as revenue when the Company performs under the contract.

#### (B) Other Income

Interest income is recognized using the effective interest rate (EIR) method.

Interest income from a financial asset is recognized 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 recognized when right to receive dividend 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).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### (xxiii) 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 Balance Sheet date

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 Balance Sheet date. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, in the statement of Profit or Loss.

### (xxiv) 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 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 the statement of 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 recognized 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 convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### (xxv) 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.

### (xxvi) Provisions and Contingencies

A Provision is recognized 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.

### (xxvii) 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.

### (xxviii) Dividends

Dividends paid is recognized in the period in which the interim dividends are approved by the Board of Directors, and in respect of the final dividend when approved by shareholders. The amount is recognised directly in other equity.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**

**2.1 | PROPERTY, PLANT AND EQUIPMENT**

| Particulars                             | Freehold Land & Site development | Mines Development | Building         | Plant & Machinery | Railway Siding  | Furniture & Fixtures | Office Equipments | Computers     | Vehicles        | Tools & Tackles | Total            |
|---|----------------------------------|-------------------|------------------|-------------------|-----------------|----------------------|-------------------|---------------|-----------------|-----------------|------------------|
| <b>Gross Carrying Value:</b>            |                                  |                   |                  |                   |                 |                      |                   |               |                 |                 |                  |
| <b>As at April 1, 2021</b>              | <b>6,176.40</b>                  | -                 | <b>13,396.68</b> | <b>38,337.95</b>  | <b>3,892.16</b> | <b>924.93</b>        | <b>499.76</b>     | <b>382.38</b> | <b>2,491.14</b> | <b>335.86</b>   | <b>66,437.25</b> |
| Additions                               | 2,407.25                         | -                 | 5,842.07         | 3,659.43          | -               | 70.64                | 43.13             | 121.49        | 507.31          | 30.83           | 12,682.15        |
| Less: Disposals/ deductions/adjustments | -                                | -                 | 190.63           | 84.51             | -               | 55.29                | 26.09             | 41.86         | 12.70           | 34.95           | 446.03           |
| Reclassified {Refer note 2.1 (g) below} | (2,186.45)                       | 1,685.16          | -                | -                 | -               | -                    | -                 | -             | -               | -               | (501.29)         |
| <b>As at March 31, 2022</b>             | <b>6,397.20</b>                  | <b>1,685.16</b>   | <b>19,048.12</b> | <b>41,912.87</b>  | <b>3,892.16</b> | <b>940.28</b>        | <b>516.80</b>     | <b>462.01</b> | <b>2,985.75</b> | <b>331.74</b>   | <b>78,172.08</b> |
| Additions                               | 14.82                            | 175.11            | 3,003.85         | 380.00            | 2,442.19        | 88.61                | 70.58             | 105.23        | 1,556.94        | 18.90           | 7,856.23         |
| Less: Disposals/ deductions/adjustments | -                                | -                 | -                | 96.30             | -               | -                    | 0.20              | 0.13          | 11.33           | -               | 107.96           |
| <b>As at March 31, 2023</b>             | <b>6,412.02</b>                  | <b>1,860.27</b>   | <b>22,051.97</b> | <b>42,196.57</b>  | <b>6,334.35</b> | <b>1,028.89</b>      | <b>587.18</b>     | <b>567.11</b> | <b>4,531.36</b> | <b>350.64</b>   | <b>85,920.35</b> |
| <b>Accumulated Depreciation</b>         |                                  |                   |                  |                   |                 |                      |                   |               |                 |                 |                  |
| <b>As at April 1, 2021</b>              | -                                | -                 | <b>3,150.70</b>  | <b>16,804.44</b>  | <b>901.49</b>   | <b>469.53</b>        | <b>326.23</b>     | <b>261.33</b> | <b>1,110.88</b> | <b>163.82</b>   | <b>23,188.42</b> |
| Charge for the year                     | 5.16                             | -                 | 959.76           | 4,647.15          | 560.74          | 123.46               | 86.71             | 86.66         | 470.83          | 43.22           | 6,983.69         |
| Less: Disposals/ deductions/adjustments | -                                | -                 | 35.10            | 36.75             | -               | 52.72                | 25.46             | 41.30         | 10.66           | 10.35           | 212.34           |
| Reclassified {Refer note 2.1 (g) below} | (5.16)                           | -                 | -                | -                 | -               | -                    | -                 | -             | -               | -               | (5.16)           |
| <b>As at March 31, 2022</b>             | -                                | -                 | <b>4,075.36</b>  | <b>21,414.84</b>  | <b>1,462.23</b> | <b>540.27</b>        | <b>387.48</b>     | <b>306.69</b> | <b>1,571.05</b> | <b>196.69</b>   | <b>29,954.61</b> |
| Charge for the year                     | -                                | 37.11             | 1,680.25         | 4,191.68          | 714.34          | 110.16               | 65.85             | 97.38         | 619.28          | 35.95           | 7,552.00         |
| Less: Disposals/ deductions/adjustments | -                                | -                 | -                | 3.99              | -               | -                    | 0.07              | 0.13          | 9.29            | -               | 13.48            |
| <b>As at March 31, 2023</b>             | -                                | <b>37.11</b>      | <b>5,755.61</b>  | <b>25,602.53</b>  | <b>2,176.57</b> | <b>650.43</b>        | <b>453.26</b>     | <b>403.94</b> | <b>2,181.04</b> | <b>232.64</b>   | <b>37,493.13</b> |
| <b>Net Carrying Value:</b>              |                                  |                   |                  |                   |                 |                      |                   |               |                 |                 |                  |
| As at March 31, 2022                    | 6,397.20                         | 1,685.16          | 14,972.76        | 20,498.03         | 2,429.93        | 400.01               | 129.32            | 155.32        | 1,414.70        | 135.05          | 48,217.48        |
| <b>As at March 31, 2023</b>             | <b>6,412.02</b>                  | <b>1,823.16</b>   | <b>16,296.36</b> | <b>16,594.04</b>  | <b>4,157.78</b> | <b>378.46</b>        | <b>133.92</b>     | <b>163.17</b> | <b>2,350.32</b> | <b>118.00</b>   | <b>48,427.22</b> |

Note 2.1 a) : Title deeds of all immovable properties are held in the name of the Company.

Note 2.1 b) : The Company doesn't hold any Benami Property and there is no proceeding initiated or pending against the Company for holding any benami property under Benami Transaction (Prohibition) Act 1988 and rules made their under.

Note 2.1 c) : The Company has not revalued its property plant & equipment, right of use assets and intangible assets during the year.

Note 2.1 d) : Railway siding constructed during the year has been on the land owned by the Government-local authorities. The Company has entered an agreement with the railways authorities to use the siding for a specified period as per the terms of agreement.

Note 2.1 e) : Depreciation for the year includes ₹ 126.15 Lakhs (31st March, 2022 - Nil) which has been capitalised as pre-operative expenses in capital work-in-progress

Note 2.1 f) : Refer note 48 for purchase and sale transactions of capital goods with related parties.

Note 2.1 g) : Mines development and Leasehold land has been reclassified from Land & site development

Note 2.1 h) : The Company has carried out impairment test in respect property, plant and equipments and based on the management's assessment regarding future projection, no impairment is necessary at the balance sheet date.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**2.2 CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2023 | 31st March, 2022 |
| Balance at the beginning of the year               | 5,297.66         | 10,898.69        |
| Add : Expenditure during construction for projects | 37,966.30        | 5,211.66         |
| Less : Capitalised during the year                 | 7,249.72         | 10,812.69        |
| Balance at the end of the year                     | <b>36,014.24</b> | <b>5,297.66</b>  |

**Ageing of Capital work-in-progress as at 31st March, 2023**

(₹ in Lakhs)

| Particulars                    | Amount in Capital Work-in-Progress for a period of |           |           |                   |           |
|--------------------------------|--|-----------|-----------|-------------------|-----------|
|                                | Less than 1 year                                   | 1-2 years | 2-3 Years | More than 3 years | Total     |
| Projects in progress           | 34,102.94  | 577.40    | 132.70    | 1,201.20          | 36,014.24 |
| Projects temporarily suspended | -  | -         | -         | -                 | -         |

**Ageing of Capital work-in-progress as at 31st March, 2022**

(₹ in Lakhs)

| Particulars                    | Amount in Capital Work-in-Progress for a period of |           |           |                   |          |
|--------------------------------|--|-----------|-----------|-------------------|----------|
|                                | Less than 1 year                                   | 1-2 years | 2-3 Years | More than 3 years | Total    |
| Projects in progress           | 3,664.26   | 299.72    | 91.92     | 1,241.76          | 5,297.66 |
| Projects temporarily suspended | -  | -         | -         | -                 | -        |

**Note :** There is no project whose cost has exceeded its budget or has overrun its completion time at each reporting date.

**2.3 RIGHT-OF-USE ASSETS**

(₹ in Lakhs)

| Particulars                                  | Lease Hold Building          | Lease Hold Land | Total           |
|--|------------------------------|-----------------|-----------------|
|  | <b>Gross Carrying Value:</b> |                 |                 |
| <b>As at 1 April,2021</b>                    | <b>620.77</b>                | -               | <b>620.77</b>   |
| Addition                                     | 1,333.88                     | -               | 1,333.88        |
| Disposals                                    | 638.53                       | -               | 638.53          |
| Reclassification { refer note 2.3(a) below } | -                            | 501.29          | 501.29          |
| <b>As at March 31 ,2022</b>                  | <b>1,316.12</b>              | <b>501.29</b>   | <b>1,817.41</b> |
| Addition                                     | 132.05                       | -               | 132.05          |
| Disposals                                    | 80.00                        | -               | 80.00           |
| <b>As at March 31, 2023</b>                  | <b>1,368.17</b>              | <b>501.29</b>   | <b>1,869.46</b> |
| <b>Accumulated Depreciation:</b>             |                              |                 |                 |
| <b>As at 1 April,2021</b>                    | <b>359.44</b>                | -               | <b>359.44</b>   |
| Charge for the year                          | 236.63                       | -               | 236.63          |
| Disposals/adjustments                        | 2.63                         | -               | 2.63            |
| Reclassification { refer note 2.3(a) below } | -                            | 5.16            | 5.16            |
| <b>As at March 31 ,2022</b>                  | <b>593.44</b>                | <b>5.16</b>     | <b>598.60</b>   |
| Charge for the year                          | 205.54                       | 5.06            | 210.60          |
| Disposals/adjustments                        | 23.25                        | -               | 23.25           |
| <b>As at March 31, 2023</b>                  | <b>775.73</b>                | <b>10.22</b>    | <b>785.95</b>   |
| <b>Net Carrying Value:</b>                   |                              |                 |                 |
| As at March 31, 2022                         | 722.68                       | 496.13          | 1,218.81        |
| <b>As at March 31, 2023</b>                  | <b>592.44</b>                | <b>491.07</b>   | <b>1,083.51</b> |

Note 2.3(a) : Leasehold land has been reclassified from Land & site development. Also refer note 2.1(g).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### 3.1 INTANGIBLE ASSETS

|                                 |  | (₹ in Lakhs)             |
|---------------------------------|--|--------------------------|
| <b>Particulars</b>              |  | <b>Computer Software</b> |
| <b>Gross Carrying Value:</b>    |  |                          |
| <b>As at April 1, 2021</b>      |  | <b>98.47</b>             |
| Additions                       |  | 3.66                     |
| Disposals/adjustments           |  | 10.23                    |
| <b>As at March 31, 2022</b>     |  | <b>91.90</b>             |
| Additions                       |  | 501.07                   |
| Disposals/adjustments           |  | -                        |
| <b>As at March 31, 2023</b>     |  | <b>592.97</b>            |
| <b>Accumulated Depreciation</b> |  |                          |
| <b>As at April 1, 2021</b>      |  | <b>66.08</b>             |
| Charge for the year             |  | 13.00                    |
| Disposals/adjustments           |  | 10.23                    |
| <b>As at March 31, 2022</b>     |  | <b>68.85</b>             |
| Charge for the year             |  | 128.05                   |
| Disposals/adjustments           |  | -                        |
| <b>As at March 31, 2023</b>     |  | <b>196.90</b>            |
| <b>Net Carrying Value:</b>      |  |                          |
| As at March 31, 2022            |  | 23.05                    |
| <b>As at March 31, 2023</b>     |  | <b>396.07</b>            |

### 3.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

|   |                           |                           | (₹ in Lakhs) |
|---|---------------------------|---------------------------|--------------|
| Particulars                                 | As at<br>31st March, 2023 | As at<br>31st March, 2022 |              |
| <b>Balance at the beginning of the year</b> | <b>450.83</b>             | <b>76.50</b>              |              |
| Add : Expenditure during the year           | 44.02                     | 374.33                    |              |
| Less : Capitalised during the year          | 494.85                    | -                         |              |
| <b>Balance at the end of the year</b>       | <b>-</b>                  | <b>450.83</b>             |              |

#### Ageing of Intangible assets under development as at March 31, 2022

|                                |  |           |           |                   |   | (₹ in Lakhs) |
|--------------------------------|--|-----------|-----------|-------------------|---|--------------|
| Particulars                    | Amount in Capital Work-in-Progress for a period of |           |           |                   |   | Total        |
|                                | Less than 1 year                                   | 1-2 years | 2-3 Years | More than 3 years |   |              |
| Projects in progress           | 374.33   | -         | 76.50     | -                 | - | 450.83       |
| Projects temporarily suspended | -  | -         | -         | -                 | - | -            |

**Note :** Ageing of intangible assets under development as on March 31, 2023 has not been disclosed in view of Nil balance.

### NOTE: 4 INVESTMENT IN SUBSIDIARIES ( MEASURED AT COST)

|  |                           |                           | (₹ in Lakhs) |
|--|---------------------------|---------------------------|--------------|
| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |              |
| <b>Investment in Unquoted equity Shares</b>  |                           |                           |              |
| <b>Megha Technical and Engineers Private Limited</b>                                       | 2,734.64                  | 2,734.64                  |              |
| 2,73,46,400 (2,73,46,400 as at 31st March, 2022) 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, 2022) Equity shares 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, 2022 ) Equity Shares of ₹10 each fully paid up  |                           |                           |              |



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 4 | INVESTMENT IN SUBSIDIARIES ( MEASURED AT COST) (Contd.)**

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| <b>Meghalaya Power Limited</b>  | 7,597.43                  | 7,597.43                  |
| 1,71,30,620 (1,71,30,620 as at 31st March, 2022) 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, 2022) Equity Share of ₹ 10 each fully paid up          |                           |                           |
| <b>Star Cement India Limited</b>  | 3.00                      | 5.00                      |
| 30,000 (50,000 as at 31st March, 2022) Equity Share of ₹ 10 each fully paid up          |                           |                           |
| <b>Star Cement North East Limited</b>   | 3.00                      | 5.00                      |
| 30,000 (50,000 as at 31st March, 2022) Equity Share of ₹ 10 each fully paid up          |                           |                           |
|   | <b>27,779.77</b>          | <b>27,783.77</b>          |
| Aggregate amount of Unquoted Investments  | 27,779.77                 | 27,783.77                 |
| Aggregate amount of impairment in value of investments in Unquoted equity shares        | -                         | -                         |

**Details of subsidiaries in accordance with Ind AS 112 "Disclosure of interest in other entities":**

| Name of the subsidiaries                      | Country of Incorporation | Proportion of ownership interest/ voting right held by the Company |                        |
|---|--------------------------|--|------------------------|
|   |                          | As at 31st March, 2023   | As at 31st March, 2022 |
| Megha Technical and Engineers Private Limited | India                    | 100%   | 100%                   |
| Star Century Global Cement Private Limited    | Myanmar                  | 100%   | 100%                   |
| Star Cement Meghalaya Limited                 | India                    | 87.49%   | 87.49%                 |
| Meghalaya Power Limited                       | India                    | 100%   | 100%                   |
| NE Hills Hydro Limited                        | India                    | 100%   | 100%                   |
| Star Cement India Limited                     | India                    | 60%  | 100%                   |
| Star Cement North East Limited                | India                    | 60%  | 100%                   |

Note 4.1: Refer note 48 for sale of investments to related parties.

**NOTE: 5 | NON- CURRENT INVESTMENTS**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>A. Investment at Fair Value through Profit or Loss (FVTPL)</b>                  |                           |                           |
| <u>Investment in Unquoted Equity Instruments</u>                                   |                           |                           |
| <b>Adonis Vyapaar Private Limited</b>  | 39.03                     | 37.26                     |
| 3,55,509 (3,55,509 as at 31st March, 2022) Equity Share of ₹ 10 each fully paid up |                           |                           |
| <b>Apanapan Viniyog Private Limited</b>  | 39.03                     | 37.26                     |
| 3,55,509 (3,55,509 as at 31st March, 2022) Equity Share of ₹ 10 each fully paid up |                           |                           |
| <b>Ara Suppliers Private Limited</b>   | 38.86                     | 37.12                     |
| 3,55,509 (3,55,509 as at 31st March, 2022) Equity Share of ₹10 each fully paid up  |                           |                           |
| <b>Arham Sales Private Limited</b>   | 39.07                     | 37.29                     |
| 3,55,509 (3,55,509 as at 31st March, 2022) Equity Share of ₹ 10 each fully paid up |                           |                           |
| <u>Investment in Quoted Equity Instruments</u>                                     |                           |                           |
| <b>Reliance Power Limited</b>  | 0.87                      | 1.18                      |
| 8,743 (8,743 as at March 31, 2022) Equity Shares of ₹ 10 each fully paid up        |                           |                           |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 5 | NON-CURRENT INVESTMENTS (Contd.)

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>B. Investment measured at amortised cost</b>   |                           |                           |
| <b>Investment in Bond - Quoted (fully paid up - Face Value 10 Lakhs each)</b>               |                           |                           |
| 8.75% Axis Bank Limited SR-28 Perpetual Bond, Nil unit (March 31, 2022- 150 units)          | -                         | 1,506.24                  |
| 8.65% Bank of Baroda SR-IX Perpetual Bond, Nil unit (March 31, 2022- 250 units)             | -                         | 2,512.12                  |
| 8.60% Bank of Baroda SR-VIII Perpetual Bond, Nil unit ( March 31, 2022- 100 units)          | -                         | 1,005.15                  |
| 8.85% HDFC Bank Limited SR-1 Perpetual Bond, Nil unit ( March 31, 2022- 50 units)           | -                         | 501.94                    |
| 9.90% ICICI Bank Limited SR Perpetual Bond, 100 units ( March 31, 2022- 100 units)          | 1,024.42                  | 1,057.30                  |
| 9.15% ICICI Bank Limited SR Perpetual Bond, 270 units ( March 31, 2022- 120 units)          | 2,711.07                  | 1,229.25                  |
| 8.55% ICICI Bank Limited SR-DOT Perpetual Bond, Nil unit ( March 31, 2022- 150 units)       | -                         | 1,511.69                  |
| 9.56% State Bank of India Series I Perpetual Bond, 244 units ( March 31, 2022- 44 units)    | 2,490.17                  | 461.89                    |
| 9.37% State Bank of India Series I NCD Perpetual Bond, 50 units ( March 31, 2022- 50 units) | 510.13                    | 524.07                    |
| 8.15% State Bank of India - SR-IV Perpetual Bond , Nil unit ( March 31, 2022- 255 units)    | -                         | 2,561.59                  |
| <b>Total non-current investments</b>  | <b>6,892.65</b>           | <b>13,021.35</b>          |
| Aggregate market value of quoted investment   | 6,831.49                  | 12,968.99                 |
| Aggregate carrying amount of quoted investment  | 6,736.66                  | 12,872.42                 |
| Aggregate amount of unquoted investments  | 155.99                    | 148.93                    |
| Aggregate amount of impairment in value of investments                                      | -                         | -                         |

### NOTE: 6 | OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Security deposits   | 578.75                    | 417.32                    |
| Share application money for investment in a subsidiary company (Refer note 6.1) | 1,200.00                  | -                         |
| Fixed Deposits with banks with maturity of more than 12 months                  | -                         | 5,570.00                  |
| Interest accrued on above Fixed Deposits with banks                             | -                         | 22.79                     |
|   | <b>1,778.75</b>           | <b>6,010.11</b>           |

Note 6.1: The Company has applied for equity shares in one of its subsidiary company i.e Star Cement North East Limited (SCNEL) which was subsequently allotted to the Company on 26th April, 2023.

### NOTE: 7 | DEFERRED TAX ASSETS (NET)

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Deferred tax assets</b>  |                           |                           |
| On provision for employee benefits  | 225.01                    | 157.50                    |
| On allowance for doubtful receivables   | 92.19                     | -                         |
| On temporary differences with respect to property, plant and equipment and intangible assets. | 1,423.13                  | 1,650.39                  |
| On MAT credit entitlement   | 16,261.66                 | 20,456.75                 |
| Others  | 160.44                    | -                         |
| <b>Deferred tax assets (net)</b>  | <b>18,162.43</b>          | <b>22,264.64</b>          |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 7.1 | MOVEMENT IN DEFERRED TAX ASSETS**

(₹ in Lakhs)

| Particulars  | Provision for employee benefits | Allowance for doubtful receivables | Property, plant and equipment and intangible assets | MAT credit entitlement | Others        | Total            |
|--|---------------------------------|------------------------------------|---|------------------------|---------------|------------------|
| <b>As at 1st April 2021</b>                        | <b>237.74</b>                   | -                                  | <b>916.78</b>                                       | <b>17,614.32</b>       | -             | <b>18,768.84</b> |
| (Charged)/credited:                                |                                 |                                    |   |                        |               |                  |
| - to statement of profit and loss                  | (79.04)                         | -                                  | 733.61  | 2,842.43               | -             | 3,497.00         |
| - to other comprehensive income                    | (1.19)                          | -                                  | -   | -                      | -             | (1.19)           |
| <b>As at March 31, 2022</b>                        | <b>157.50</b>                   | -                                  | <b>1,650.39</b>                                     | <b>20,456.75</b>       | -             | <b>22,264.64</b> |
| (Charged)/credited:                                |                                 |                                    |   |                        |               |                  |
| - to statement of profit and loss (Refer Note 7.3) | 84.13                           | 92.19                              | (227.26)  | (4,195.09)             | 160.44        | (4,085.59)       |
| - to other comprehensive income                    | (16.62)                         | -                                  | -   | -                      | -             | (16.62)          |
| <b>As at March 31, 2023</b>                        | <b>225.01</b>                   | <b>92.19</b>                       | <b>1,423.13</b>                                     | <b>16,261.66</b>       | <b>160.44</b> | <b>18,162.43</b> |

Note 7.2 : The carrying amount of deferred tax assets are reviewed at each balance sheet date. Based on the management's estimate regarding the future projection, company expects to have sufficient future taxable profits against which above Deferred Tax Asset shall be realized.

Note 7.3 : Based on the Legal opinion obtained by the Company, a sum of ₹ 984.61 lakhs of Mat Credit entitlement pertaining to earlier years has been recognised during the year based on its availability and a sum of ₹ 212.29 lakhs has been charged off during the year.

Note 7.4 : Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income tax at reduced rate with effect from financial year commencing 1st April, 2019 subject to certain conditions. The Company has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax ("MAT"). The Company shall, however, continue to review its profitability forecast at regular intervals and shall carry out necessary remeasurement adjustments to deferred tax/liabilities as per Ind As -12 "Income Taxes" upon assessment of reasonable certainty to avail the option under section 115 BAA.

**NOTE: 8 | NON-CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

| Particulars  | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| Advance income tax & TDS receivables (net of provision for taxation of ₹ 10,178.18 Lakhs for 31st March, 2023 and ₹ 7,269.54 Lakhs for 31st March, 2022) | 105.87                 | 82.66                  |
|  | <b>105.87</b>          | <b>82.66</b>           |

**NOTE: 9 | OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

| Particulars                                       | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| <b>Unsecured, considered good</b>                 |                        |                        |
| Deposit with statutory authorities                | 29.02                  | 29.02                  |
| <b>Capital advances</b>                           |                        |                        |
| Secured, considered good                          | 2,156.23               | -                      |
| Unsecured, considered good (Refer note 9.1 below) | 9,950.14               | 5,532.76               |
|   | <b>12,135.39</b>       | <b>5,561.78</b>        |

Note 9.1: Capital Advances includes advance against land of ₹ 5,176.61 Lakhs (March 31, 2022 - ₹ 4,928.76 Lakhs). The Company is in the process of getting approval for registration of respective land in its name.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 10 | INVENTORIES

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>(Valued at Lower of Cost or Net Realisable Value, unless otherwise stated)</b>  |                           |                           |
| Raw materials (including in transit as at 31st March, 2023 - ₹ 149.21 Lakhs and 31st March, 2022 - ₹ 912.38 Lakhs)       | 5,058.83                  | 3,150.36                  |
| Work - in - progress   | 29.49                     | 19.76                     |
| Finished goods (including in transit as at 31st March, 2023 - ₹ 1,008.09 and 31st March, 2022 - ₹ 758.02 Lakhs)          | 3,657.04                  | 1,898.06                  |
| Fuels, packing materials, etc. (including in transit as at 31st March, 2023 - ₹ 372.79 Lakhs and 31st March, 2022 - Nil) | 4,003.68                  | 1,361.15                  |
| Stores & spares ( Refer Note 10.1)   | 4,077.15                  | 3,198.79                  |
|  | <b>16,826.19</b>          | <b>9,628.12</b>           |

Note 10.1: The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and obsolete inventory. Provision for obsolescence of Stores and Spares in the current financial year is ₹ 14.02 Lakhs (31st March, 2022 – Nil). There has been no reversal of such write down in current and previous year.

Note 10.2 : Refer note 24 in respect of Charge created against borrowings.

### NOTE: 11 | TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| Trade Receivables considered good - Secured                      | 6,137.59                  | 7,625.95                  |
| Trade Receivables considered good - Unsecured                    | 2,928.46                  | 5,251.87                  |
| Trade Receivables which have significant increase in Credit Risk | 953.61                    | 59.10                     |
| Trade Receivable - Credit Impaired                               | -                         | -                         |
|  | <b>10,019.66</b>          | <b>12,936.92</b>          |
| Less: Allowance for credit losses on trade receivables           | (263.83)                  | (59.10)                   |
|  | <b>9,755.83</b>           | <b>12,877.82</b>          |

#### Ageing of outstanding trade receivables as on March 31, 2023 from due date of payment

(₹ in Lakhs)

| Particulars  | Not Due         | Less than<br>6 months | 6 months<br>- 1 year | 1 - 2<br>years | 2 - 3<br>years | More than<br>3 years | Total            |
|--|-----------------|-----------------------|----------------------|----------------|----------------|----------------------|------------------|
| <b>Undisputed Trade Receivables</b>                    |                 |                       |                      |                |                |                      |                  |
| Considered Good  | 8,132.50        | 488.03                | 409.34               | 36.18          | -              | -                    | 9,066.05         |
| Which have significant increase in credit risk         | -               | -                     | -                    | -              | -              | -                    | -                |
| Credit impaired  | -               | -                     | -                    | -              | -              | -                    | -                |
| <b>Disputed Trade Receivables</b>                      |                 |                       |                      |                |                |                      |                  |
| Considered Good  | -               | -                     | -                    | -              | -              | -                    | -                |
| Which have significant increase in credit risk         | -               | -                     | 34.46                | 236.05         | 19.49          | 663.61               | 953.61           |
| Credit impaired  | -               | -                     | -                    | -              | -              | -                    | -                |
|  | <b>8,132.50</b> | <b>488.03</b>         | <b>443.80</b>        | <b>272.23</b>  | <b>19.49</b>   | <b>663.61</b>        | <b>10,019.66</b> |
| Less: Allowance for credit losses on trade receivables |                 |                       |                      |                |                |                      | (263.83)         |
| <b>Total Trade Receivables</b>                         | <b>8,132.50</b> | <b>488.03</b>         | <b>443.80</b>        | <b>272.23</b>  | <b>19.49</b>   | <b>663.61</b>        | <b>9,755.83</b>  |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 11 | TRADE RECEIVABLES (Contd.)**
**Ageing of outstanding trade receivables as on March 31, 2022 from due date of payment**

(₹ in Lakhs)

| Particulars                                    | Not Due          | Less than 6 months | 6 months - 1 year | 1 - 2 years   | 2 - 3 years   | More than 3 years | Total            |
|--|------------------|--------------------|-------------------|---------------|---------------|-------------------|------------------|
| <b>Undisputed Trade Receivables</b>            |                  |                    |                   |               |               |                   |                  |
| Considered Good                                | 10,469.45        | 850.02             | 378.57            | 179.07        | 188.10        | -                 | 12,065.21        |
| Which have significant increase in credit risk | -                | -                  | -                 | -             | -             | -                 | -                |
| Credit impaired                                | -                | -                  | -                 | -             | -             | -                 | -                |
| <b>Disputed Trade Receivables</b>              |                  |                    |                   |               |               |                   |                  |
| Considered Good                                | -                | -                  | 373.68            | 19.39         | 419.54        | -                 | 812.61           |
| Which have significant increase in credit risk | -                | -                  | -                 | -             | -             | 59.10             | 59.10            |
| Credit impaired                                | -                | -                  | -                 | -             | -             | -                 | -                |
|  | <b>10,469.45</b> | <b>850.02</b>      | <b>752.25</b>     | <b>198.46</b> | <b>607.64</b> | <b>59.10</b>      | <b>12,936.92</b> |
| Less: Allowance for credit losses              |                  |                    |                   |               |               |                   | (59.10)          |
| <b>Total Trade Receivables</b>                 | <b>10,469.45</b> | <b>850.02</b>      | <b>752.25</b>     | <b>198.46</b> | <b>607.64</b> | <b>59.10</b>      | <b>12,877.82</b> |

Note 11.1: There is no unbilled receivables at each reporting date.

Note 11.2: Refer note 24 in respect of Charge created against borrowings.

Note 11.3: No trade receivables are due from directors or other officers of the Company, either severally or jointly with any other person. Further no trade receivables are due from firms or private companies, respectively in which any director is a partner, a director or a member.

Note 11.4: Allowances for credit losses of trade receivables has been estimated based on ageing of receivables and customer related specific information on case to case basis. Refer note 44 A (i) for details in movement of loss allowance.

**NOTE: 12 | CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Cash on hand  | 42.93                  | 40.70                  |
| Cheques on hand   | 12.10                  | 18.35                  |
| Balance with Banks:   |                        |                        |
| - In current accounts/cash credit accounts                                  | 665.28                 | 418.40                 |
| - In Fixed Deposits with Banks with original maturity of less than 3 months | 10,921.17              | -                      |
|   | <b>11,641.48</b>       | <b>477.45</b>          |

**NOTE: 13 | BANK BALANCES (OTHER THAN CASH AND CASH EQUIVALENTS)**

(₹ in Lakhs)

| Particulars  | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| Earmarked bank balances for unpaid dividend  | 9.29                   | 12.50                  |
| Fixed deposits with banks with remaining maturity of less than 12 months (Refer note 13.1) | 9,101.00               | 23,142.37              |
|  | <b>9,110.29</b>        | <b>23,154.87</b>       |

Note 13.1: Fixed Deposits with banks include fixed deposits of ₹ 99.09 lakhs (previous year ₹ 99.37 lakhs) which have been held as margin money with banks against bank guarantee given by them.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 14 | LOANS

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| Unsecured, considered good (unless otherwise mentioned) |                           |                           |
| Loans to related parties                                | 2,235.79                  | 24.99                     |
| Loans to Body Corporate (other than related parties)    | 1,680.70                  | 1,661.06                  |
|   | <b>3,916.49</b>           | <b>1,686.05</b>           |

Note 14.1 Disclosure of loans or advances to specified persons as per requirement of Schedule III of the Companies Act, 2013

| Type of Borrower          | As at March 31, 2023 |             | As at March 31, 2022 |             |
|---------------------------|----------------------|-------------|----------------------|-------------|
|                           | (₹ in Lakhs)         | % age       | (₹ in Lakhs)         | % age       |
| Promoters                 | -                    | -           | -                    | -           |
| Directors                 | -                    | -           | -                    | -           |
| Key Managerial Personnels | -                    | -           | -                    | -           |
| Related Parties           | 2,235.79             | 57.09%      | 24.99                | 1.48%       |
| Others                    | 1,680.70             | 42.91%      | 1,661.06             | 98.52%      |
|                           | <b>3,916.49</b>      | <b>100%</b> | <b>1,686.05</b>      | <b>100%</b> |

Note 14.2: Disclosure of Loans and Advances given to subsidiaries as per Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(₹ in Lakhs)

| Name of the Company                    | Year ended 31st March, 2023           |   |                  | Year ended 31st March, 2022           |   |                  |
|--|---------------------------------------|---|------------------|---------------------------------------|---|------------------|
|  | Loan outstanding as on March 31, 2023 | Maximum balance outstanding during the year | Rate of interest | Loan outstanding as on March 31, 2022 | Maximum balance outstanding during the year | Rate of interest |
| <b>Loan to subsidiaries:</b>           |                                       |   |                  |                                       |   |                  |
| 1) Star Cement North East Limited      | 2,052.28                              | 3,008.65                                    | 7.19%            | 24.99                                 | 24.99                                       | 7.19%            |
| 2) Star Cement India Limited           | 183.51                                | 183.51                                      | 7.19%            | -                                     | -   | -                |
| <b>Loan to others:</b>                 |                                       |   |                  |                                       |   |                  |
| 1) North East Carriers Private Limited | 1,680.70                              | 1,680.70                                    | 6.00%            | 1,661.06                              | 1,661.06                                    | 6.00%            |

Note 14.3: There are no outstanding loans from any director or officers of the Company as on the each reporting date

Note 14.4: The above Loans have been granted for general business purpose.

### NOTE: 15 | OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>Unsecured, considered good (unless otherwise mentioned)</b> |                           |                           |
| Security deposits  | 194.93                    | 61.23                     |
| Interest accrued on Fixed deposits                             | 371.41                    | 557.75                    |
| Interest accrued on Bonds                                      | 306.77                    | 672.66                    |
| Interest accrued on Loans                                      | 74.21                     | -                         |
| Subsidies and incentives receivable                            | 1,439.99                  | 7,520.00                  |
|  | <b>2,387.31</b>           | <b>8,811.64</b>           |



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 16 | OTHER CURRENT ASSETS**

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Unsecured, considered good (unless otherwise mentioned)</b> |                           |                           |
| Advances for supply of Goods & Services                        | 2,590.16                  | 2,392.41                  |
| Stamp paper on hand  | 2.06                      | 0.26                      |
| Advances to employees  | 75.99                     | 87.31                     |
| Balances with statutory and government authorities             | 2,868.19                  | 1,384.70                  |
| Prepaid expenses   | 610.89                    | 700.53                    |
| Others   | -                         | 50.00                     |
| <b>Unsecured, considered doubtful</b>                          |                           |                           |
| Doubtful advances for supply of goods and services             | 7.49                      | 7.09                      |
| Less: Allowance for bad & doubtful advances                    | (7.49)                    | (7.09)                    |
|  | <b>6,147.29</b>           | <b>4,615.21</b>           |

**NOTE: 17 | EQUITY SHARE CAPITAL**

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Authorised capital   | 8,300.00                  | 8,300.00                  |
| 83,00,00,000 (83,00,00,000 as at 31st March, 2022) Equity Shares of ₹ 1/- each fully paid)   |                           |                           |
|  | <b>8,300.00</b>           | <b>8,300.00</b>           |
| Issued, subscribed and fully paid-up shares  | 4,041.80                  | 4,041.80                  |
| 40,41,80,417 ( 40,41,80,417 as at 31st March, 2022) Equity Shares of ₹ 1/- each fully paid ) |                           |                           |
|  | <b>4,041.80</b>           | <b>4,041.80</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)** In terms of approval of the Board of Directors obtained at its meeting held on 13th August, 2021, the Company had offered Buy Back of Equity shares to all eligible equity shareholders of the Company on a proportionate basis through tender offer route using Stock Exchange mechanism. The buyback of equity shares through the Stock Exchange commenced on 22nd September, 2021 and closed on 5th October, 2021. Accordingly, the Company bought back and extinguished a total of 82,48,580 equity shares of ₹1 each at a price of ₹150 per equity share, representing 2.00% of the pre-buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹123.73 crores (excluding transaction costs such as Brokerage, Buy Back Tax, Securities Transaction Tax, GST, Stamp duty and other related expenses etc.). Payments to the eligible shareholders were completed on 13th October, 2021. In the last five financial years, Company had bought back 1,50,48,580 number of equity shares.

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

| Equity shares                      | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|------------------------------------|---------------------------|---------------------------|
|                                    | No. of Shares             | No. of Shares             |
| At the beginning of the year       | 40,41,80,417              | 41,24,28,997              |
| Buyback of shares                  | -                         | (82,48,580)               |
| Outstanding at the end of the year | <b>40,41,80,417</b>       | <b>40,41,80,417</b>       |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 17 | EQUITY SHARE CAPITAL (Contd.)

#### d) Details of shareholders holding more than 5% of equity share capital

| Name of the shareholders                         | As at<br>31st March, 2023         | As at<br>31st March, 2022         |
|--|-----------------------------------|-----------------------------------|
|  | No. of Shares and<br>% of holding | No. of Shares and<br>% of holding |
| Sajjan Bhajanka                                  | 4,78,86,362<br>11.85%             | 4,78,86,362<br>11.85%             |
| Prem Bhajanka                                    | 3,94,85,295<br>9.77%              | 3,73,53,344<br>9.24%              |
| SBI Flexicap Fund (including SBI Small Cap Fund) | 2,38,27,667<br>5.90%              | 2,38,27,667<br>5.90%              |

#### e) Details of shares held by the promoters at the end of the year

| Sr No | Promoter Name        | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   | % Change during the year |
|-------|----------------------|------------------------|-------------------|------------------------|-------------------|--------------------------|
|       |                      | No. of Shares          | % of Total Shares | No. of Shares          | % of Total Shares |                          |
| 1     | Sajjan Bhajanka      | 4,78,86,362            | 11.85             | 4,78,86,362            | 11.85             | -                        |
| 2     | Prem Kumar Bhajanka  | 3,94,85,295            | 9.77              | 3,73,53,344            | 9.24              | 0.06                     |
| 3     | Rajendra Chamaria    | 1,95,34,116            | 4.83              | 1,95,34,116            | 4.83              | -                        |
| 4     | Sanjay Agarwal       | 1,76,23,185            | 4.36              | 1,76,23,185            | 4.36              | -                        |
| 5     | Rajesh Kumar Agarwal | 35,15,625              | 0.87              | 35,15,625              | 0.87              | -                        |

#### f) Details of shares held by the promoters group at the end of the year

| Sr No | Promoter Group Name              | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   | % Change during the year |
|-------|----------------------------------|------------------------|-------------------|------------------------|-------------------|--------------------------|
|       |                                  | No. of Shares          | % of Total Shares | No. of Shares          | % of Total Shares |                          |
| 1     | Divya Agarwal                    | 1,86,60,196            | 4.62              | 1,86,60,196            | 4.62              | -                        |
| 2     | Santosh Bhajanka                 | 1,77,88,483            | 4.40              | 1,77,88,483            | 4.40              | -                        |
| 3     | Sachin Chamaria                  | 79,93,015              | 1.98              | 79,93,015              | 1.98              | -                        |
| 4     | Rahul Chamaria                   | 45,72,785              | 1.13              | 45,72,785              | 1.13              | -                        |
| 5     | Yash Bala Bhajanka               | 45,07,778              | 1.12              | 45,07,778              | 1.12              | -                        |
| 6     | Laxmi Chamaria                   | 39,48,080              | 0.98              | 39,48,080              | 0.98              | -                        |
| 7     | Renu Chamaria                    | 32,03,146              | 0.79              | 32,03,146              | 0.79              | -                        |
| 8     | Hardeo Das Kamakhya Prasad HUF   | 30,93,580              | 0.77              | 30,93,580              | 0.77              | -                        |
| 9     | Kailash Prasad Chamaria          | 29,60,293              | 0.73              | 29,60,293              | 0.73              | -                        |
| 10    | Gouri Shankar Kailash Prasad HUF | 28,08,225              | 0.69              | 28,08,225              | 0.69              | -                        |
| 11    | Amritansh Chamaria               | 26,07,800              | 0.65              | 26,07,800              | 0.65              | -                        |
| 12    | Bhawna Agarwal                   | 22,81,776              | 0.56              | 22,81,776              | 0.56              | -                        |
| 13    | Rajendra Udyog (HUF)             | 21,92,465              | 0.54              | 21,92,465              | 0.54              | -                        |
| 14    | Hari Prasad Agarwala And Others  | 16,81,270              | 0.42              | 16,81,270              | 0.42              | -                        |
| 15    | Gayatri Chamaria                 | 15,67,362              | 0.39              | 15,67,362              | 0.39              | -                        |
| 16    | Snigdha Chamaria                 | 15,08,972              | 0.37              | 15,08,972              | 0.37              | -                        |
| 17    | Komal Chamaria                   | 14,90,046              | 0.37              | 14,90,046              | 0.37              | -                        |
| 18    | Sonu Kajaria                     | 13,26,560              | 0.33              | 13,26,560              | 0.33              | -                        |
| 19    | Sumitra Devi Agarwal             | 12,99,930              | 0.32              | 12,99,930              | 0.32              | -                        |
| 20    | Payal Agrawal                    | 12,87,908              | 0.32              | 12,87,908              | 0.32              | -                        |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 17 | EQUITY SHARE CAPITAL (Contd.)**

| Sr No | Promoter Group Name                    | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   | % Change during the year |
|-------|--|------------------------|-------------------|------------------------|-------------------|--------------------------|
|       |  | No. of Shares          | % of Total Shares | No. of Shares          | % of Total Shares |                          |
| 21    | Vinay And Company                      | 11,22,598              | 0.28              | 11,22,598              | 0.28              | -                        |
| 22    | Kamakhya Chamaria                      | 11,00,126              | 0.27              | 11,00,126              | 0.27              | -                        |
| 23    | Shraddha Agarwal                       | 10,89,718              | 0.27              | 10,89,718              | 0.27              | -                        |
| 24    | Ratna Chamaria                         | 10,55,124              | 0.26              | 10,55,124              | 0.26              | -                        |
| 25    | Tushar Bhajanka                        | 10,32,041              | 0.26              | 10,32,041              | 0.26              | -                        |
| 26    | Suchita Agarwal                        | 10,07,698              | 0.25              | 10,07,698              | 0.25              | -                        |
| 27    | Sneh Lohia                             | 9,82,041               | 0.24              | 9,82,041               | 0.24              | -                        |
| 28    | Sarika Jalan                           | 8,41,967               | 0.21              | 8,41,967               | 0.21              | -                        |
| 29    | Prahlad Rai Chamaria                   | 6,30,538               | 0.16              | 11,30,538              | 0.28              | (44.23)                  |
| 30    | Prahlad Rai Chamaria (HUF)             | 4,00,000               | 0.10              | 4,00,000               | 0.10              | -                        |
| 31    | Nancy Choudhary                        | 1,64,621               | 0.04              | 1,64,621               | 0.04              | -                        |
| 32    | Keshav Bhajanka                        | 1,58,317               | 0.04              | 1,58,317               | 0.04              | -                        |
| 33    | Saroj Kejriwal                         | 1,02,274               | 0.03              | 1,02,274               | 0.03              | -                        |
| 34    | Brijdham Merchants Private Limited     | 1,01,30,086            | 2.51              | 1,01,30,086            | 2.51              | -                        |
| 35    | Sri Ram Vanijya Private Limited        | 99,47,476              | 2.46              | 99,47,476              | 2.46              | -                        |
| 36    | Sumangal International Private Limited | 88,29,253              | 2.18              | 88,29,253              | 2.18              | -                        |
| 37    | Sumangal Business Private Limited      | 78,17,091              | 1.93              | 78,17,091              | 1.93              | -                        |
| 38    | Sri Ram Merchants Private Limited      | 76,57,056              | 1.89              | 76,57,056              | 1.89              | -                        |
| 39    | Auroville Investments Private Limited  | 23,76,194              | 0.59              | 23,76,194              | 0.59              | -                        |

**Note:** The above shareholding represents both legal and beneficial ownership based on the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest.

- g) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- h) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year.

**NOTE: 18 | OTHER EQUITY**

(₹ in Lakhs)

| Particulars                                 | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| <b>Capital Reserve</b>                      |                        |                        |
| Opening Balance                             | 643.53                 | 643.53                 |
| Addition/(deduction) during the year        | -                      | -                      |
|   | <b>643.53</b>          | <b>643.53</b>          |
| <b>Capital Redemption Reserve Account</b>   |                        |                        |
| Opening Balance                             | 150.49                 | 68.00                  |
| Addition: Transferred from Retained Earning | -                      | 82.49                  |
|   | <b>150.49</b>          | <b>150.49</b>          |
| <b>General reserve</b>                      |                        |                        |
| Opening Balance                             | 3,187.83               | 3,187.83               |
| Addition/(deduction) during the year        | -                      | -                      |
|   | <b>3,187.83</b>        | <b>3,187.83</b>        |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 18 | OTHER EQUITY (Contd.)

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Retained earnings</b>  |                           |                           |
| Opening Balance   | 1,21,913.20               | 1,19,514.74               |
| Profit for the year   | 16,402.05                 | 17,632.17                 |
| Other comprehensive income:                                       |                           |                           |
| Remeasurement of post-employment benefit obligations (net of tax) | 30.94                     | 2.33                      |
| <b>Total Comprehensive Income for the year</b>                    | <b>16,432.99</b>          | <b>17,634.50</b>          |
| Buyback of Shares during the year                                 | -                         | (15,236.04)               |
|   | <b>1,38,346.19</b>        | <b>1,21,913.20</b>        |
| <b>Total Reserves and surplus</b>                                 | <b>1,42,328.04</b>        | <b>1,25,895.05</b>        |
| <b>Total Other equity</b>   | <b>1,42,328.04</b>        | <b>1,25,895.05</b>        |

#### Nature and purpose of reserves

##### Capital Reserve

This reserve has been created pursuant to scheme of amalgamation between company and Star Ferro and Cement Limited and can be utilized in accordance with the provisions of 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 retained earnings.

##### 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 represents accumulated profit of the Company as on reporting date. Such Profits are after adjustment of payment of dividend, transfer to any reserves and adjustment for remeasurement Gain/loss on defined benefit plan.

### NOTE: 19 | BORROWINGS

| Particulars                                     | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Loans from related party (unsecured)            |                           |                           |
| - From a subsidiary Company ( Refer note below) | 2,913.08                  | 7,218.08                  |
|   | <b>2,913.08</b>           | <b>7,218.08</b>           |

Note 19.1: Term loan from a related party (subsidiary company) is long term in nature i.e. payable in 5 years and the rate of interest is ranging from 6.60% to 9.20% (March 31, 2022 - 4.40% to 7.80%)

Note 19.2: The Company does not have any defaults in repayment of loans and interest as at each reporting date.

### NOTE: 20 | LEASE LIABILITIES

| Particulars                       | (₹ in Lakhs)              |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Lease Liabilities (Refer note 45) | 446.86                    | 553.65                    |
|                                   | <b>446.86</b>             | <b>553.65</b>             |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 21 | OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

| Particulars       | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|-------------------|---------------------------|---------------------------|
| Security deposits | 16,630.73                 | 15,534.89                 |
|                   | <b>16,630.73</b>          | <b>15,534.89</b>          |

**NOTE: 22 | NON CURRENT PROVISIONS**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| Provision for employee benefits                        |                           |                           |
| - Gratuity (Refer Note 41)                             | 165.42                    | 110.65                    |
| - Leave encashment                                     | 311.63                    | 227.14                    |
| Provision for site restoration (Refer Note 22.1 below) | 102.77                    | -                         |
|  | <b>579.82</b>             | <b>337.79</b>             |

Note 22.1: Provision for site restoration has been created based on present value of estimated future cash outflow of site restoration expenses. Movement of provisions for site restoration during the year is as under :

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| Opening Balance  | -                         | -                         |
| Add: Provision during the year                           | 95.87                     | -                         |
| Less: Utilised during the year                           | -                         | -                         |
| Add: Unwinding of discount on site restoration provision | 6.90                      | -                         |
| <b>Closing Balance</b>                                   | <b>102.77</b>             | <b>-</b>                  |

**NOTE: 23 | OTHER NON CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars                                 | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| Deferred government grant (Refer note 23.1) | 3.89                      | 25.69                     |
|   | <b>3.89</b>               | <b>25.69</b>              |

Note 23.1 : Movement of Government Grants

(₹ in Lakhs)

| Particulars   | Opening<br>balance as on<br>April 1, 2022<br>(Including<br>current portion) | Recognised<br>during the year<br>ended March<br>31, 2023 | Transfer to<br>Statement<br>of Profit and<br>Loss | Closing<br>balance as<br>on March 31,<br>2023 (including<br>current portion) |
|---|---|--|---|--|
| Financial Assistance under Capital Investment subsidy scheme towards the capital expenditure under North-East Industrial and Investment Promotion Policy, 2007. | 38.56   | -  | 12.87   | 25.69  |

Note 23.2: There has been no unfulfilled conditions or any other contingencies with respect to above government grants.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 24 | BORROWINGS

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| Secured-Repayable on demand                              |                           |                           |
| Working capital facilities from banks [Refer Note below] |                           |                           |
| - Cash credit  | 847.18                    | 405.36                    |
|  | <b>847.18</b>             | <b>405.36</b>             |

Notes-

- (a) Working capital facilities of ₹ 27.03 Lakhs (March 31 2022: ₹ 139.42 Lakhs) from banks are secured by pari passu first charge on current assets of the Company's cement grinding unit at Guwahati, Assam. In the previous year, these working capital facilities were also guaranteed by some of the Directors of the Company. (Refer Note 48)
- (b) Working Capital facilities of ₹ 591.34 Lakhs (March 31 2022: ₹ 195.43 Lakhs) from banks are secured by first pari passu charge on current assets of the Company's manufacturing facility at Lumshnong, Meghalaya.
- (c) Working Capital facilities of ₹ 228.81 Lakhs (March 31 2022: ₹ 70.51 lakhs) from a bank is secured by hypothecation of all current assets of the Siliguri Grinding Unit on first charge basis.
- (d) The rate of interest for the above loans ranges between 6.60% to 9.20% (March 31, 2022 - 4.40% to 7.80%)

### NOTE: 25 | LEASE LIABILITIES

(₹ in Lakhs)

| Particulars                       | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|-----------------------------------|---------------------------|---------------------------|
| Lease Liabilities (Refer Note 45) | 177.53                    | 194.36                    |
|                                   | <b>177.53</b>             | <b>194.36</b>             |

### NOTE: 26 | TRADE PAYABLES

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| Total outstanding dues of micro and small enterprises                          | 840.62                    | 493.94                    |
| Total outstanding dues of trade payable other than micro and small enterprises | 26,466.91                 | 21,822.67                 |
|  | <b>27,307.53</b>          | <b>22,316.61</b>          |

#### Ageing of outstanding trade payables as on 31st March, 2023 from due date of payment

(₹ in Lakhs)

| Sr No | Particulars                              | Unbilled due    | Not due          | Less than 1 year | 1 - 2 years  | 2 - 3 years  | More than 3 years | Total            |
|-------|--|-----------------|------------------|------------------|--------------|--------------|-------------------|------------------|
| (i)   | Undisputed - Micro and small enterprises | -               | 690.18           | 145.64           | 4.80         | -            | -                 | 840.62           |
| (ii)  | Undisputed - Others                      | 3,034.82        | 10,963.53        | 11,207.46        | 64.66        | 29.32        | 279.81            | 25,579.60        |
| (iii) | Disputed - Micro and small enterprises   | -               | -                | -                | -            | -            | -                 | -                |
| (iv)  | Disputed - Others                        | -               | -                | 887.31           | -            | -            | -                 | 887.31           |
|       | <b>Total</b>                             | <b>3,034.82</b> | <b>11,653.71</b> | <b>12,240.41</b> | <b>69.46</b> | <b>29.32</b> | <b>279.81</b>     | <b>27,307.53</b> |



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 26 | TRADE PAYABLES (Contd.)**

Ageing of outstanding trade payables as on 31st March, 2022 from due date of payment

(₹ in Lakhs)

| Sr No | Particulars                             | Unbilled due    | Not due          | Less than 1 year | 1 - 2 years   | 2 - 3 years | More than 3 years | Total            |
|-------|---|-----------------|------------------|------------------|---------------|-------------|-------------------|------------------|
| (i)   | Undisputed- Micro and small enterprises | -               | 463.98           | 29.96            | -             | -           | -                 | 493.94           |
| (ii)  | Undisputed- Others                      | 2,095.83        | 11,924.87        | 7,001.73         | 183.00        | 6.74        | 212.37            | 21,424.54        |
| (iii) | Disputed- Micro and small enterprises   | -               | -                | -                | -             | -           | -                 | -                |
| (iv)  | Disputed- Others                        | -               | 398.13           | -                | -             | -           | -                 | 398.13           |
|       | <b>Total</b>                            | <b>2,095.83</b> | <b>12,786.98</b> | <b>7,031.69</b>  | <b>183.00</b> | <b>6.74</b> | <b>212.37</b>     | <b>22,316.61</b> |

**NOTE: 27 | OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

| Particulars                                 | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Unclaimed dividend (Refer Note 27.1)        | 9.29                   | 12.50                  |
| Other payables                              |                        |                        |
| Capital Creditors                           | 3,965.97               | 434.26                 |
| Retention money                             | 538.95                 | 371.74                 |
| Discounts and incentives payable to dealers | 6,373.07               | 5,303.84               |
| Employee related liabilities                | 1,268.69               | 573.74                 |
| Other liabilities (Refer note 27.2)         | 169.29                 | 363.52                 |
|   | <b>12,325.26</b>       | <b>7,059.60</b>        |

Note 27.1: The same is not due for payment to Investor Education and Protection Fund as on the Balance Sheet date.

Note 27.2: Other Liabilities represents liability towards miscellaneous expenses.

**NOTE: 28 | OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Statutory liabilities   | 3,550.32               | 4,891.30               |
| Contract Liabilities - Advances from customer (Refer Note 28.1) | 1,114.13               | 2,386.43               |
| Current portion of Deferred government grant ( Refer Note 23.1) | 21.80                  | 12.87                  |
|   | <b>4,686.25</b>        | <b>7,290.60</b>        |

Note 28.1 The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2023

**NOTE: 29 | PROVISIONS**

(₹ in Lakhs)

| Particulars                     | As at 31st March, 2023 | As at 31st March, 2022 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits |                        |                        |
| - Leave encashment              | 83.26                  | 45.94                  |
| - Gratuity (Refer Note 41)      | 83.62                  | 67.00                  |
|                                 | <b>166.88</b>          | <b>112.94</b>          |

**NOTE: 30 | CURRENT TAX LIABILITIES (NET)**

(₹ in Lakhs)

| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Provision for taxation (net of advance income tax and MAT Credit ₹ 9,274.04 Lakhs as at March 31, 2023, net of advance income tax as at March 31, 2022 ₹ 2,712.27 Lakhs ) | 105.93                 | 196.87                 |
|   | <b>105.93</b>          | <b>196.87</b>          |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 31 REVENUE FROM OPERATIONS

| Particulars              | (₹ in Lakhs)                           |  |
|--------------------------|--|--|
|                          | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Sale of goods:           |  |  |
| Cement                   | 2,56,650.61                            | 2,08,402.06                            |
| Others                   | 5,063.48                               | 1,957.54                               |
|                          | <b>2,61,714.09</b>                     | <b>2,10,359.60</b>                     |
| Other operating income   |  |  |
| Sale of Scrap            | 253.59                                 | 164.08                                 |
| Incentives and subsidies | 8,485.60                               | 9,086.59                               |
|                          | <b>2,70,453.28</b>                     | <b>2,19,610.27</b>                     |

Note:

- 31 (a) Primary business of the Company is Manufacturing and sale of Cement. All other activities of the Company are related to its primary business. The product shelf life being short, all sales are made at a point in time and the revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery.
- 31 (b) The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give a significant credit period resulting in no significant financing component. The normal credit period is 30 days.
- 31 (c) The company operates within the geographical areas of India.
- 31 (d) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

| Particulars  | (₹ in Lakhs)                           |  |
|--|--|--|
|  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Revenue as per contract price                      | 2,87,276.66                            | 2,30,497.47                            |
| Discount and incentives                            | (25,562.57)                            | (20,137.87)                            |
| <b>Revenue as per statement of profit and loss</b> | <b>2,61,714.09</b>                     | <b>2,10,359.60</b>                     |

### NOTE: 32 OTHER INCOME

| Particulars   | (₹ in Lakhs)                           |  |
|---|--|--|
|   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Interest income using the effective interest rate method:               |  |  |
| - on Bank deposits  | 1,627.95                               | 1,438.95                               |
| - on Interest on Loan   | 212.80                                 | 95.27                                  |
| - on Bonds  | 664.87                                 | 748.80                                 |
| Gain on Fair Valuation of Non-Current Investment through Profit or loss | 6.76                                   | 7.77                                   |
| Liability no longer required written back                               | 15.04                                  | -                                      |
| Miscellaneous income  | 140.15                                 | 12.00                                  |
|   | <b>2,667.57</b>                        | <b>2,302.79</b>                        |

### NOTE: 33 COST OF MATERIALS CONSUMED

| Particulars                    | (₹ in Lakhs)                           |  |
|--------------------------------|--|--|
|                                | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Opening Stock                  | 3,150.36                               | 3,628.56                               |
| Add: Purchases during the year | 1,18,329.09                            | 95,116.08                              |
|                                | <b>1,21,479.45</b>                     | <b>98,744.64</b>                       |
| Less : Closing Stock           | 5,058.83                               | 3,150.36                               |
|                                | <b>1,16,420.62</b>                     | <b>95,594.28</b>                       |

Note 33.1 : Refer note 47

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 34 | CHANGES IN INVENTORIES OF FINISHED GOOD AND WORK- IN- PROGRESS**

| Particulars                               | (₹ in Lakhs)                           |  |
|---|--|--|
|   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Work in progress:                         |  |  |
| Opening stock                             | 19.76                                  | 22.13                                  |
| Closing stock                             | 29.49                                  | 19.76                                  |
|   | (9.73)                                 | 2.37                                   |
| Finished goods:                           |  |  |
| Opening stock                             | 1,898.06                               | 2,166.92                               |
| Closing stock                             | 3,657.04                               | 1,898.06                               |
|   | (1,758.98)                             | 268.85                                 |
| <b>(Increase)/decrease in inventories</b> | <b>(1,768.71)</b>                      | <b>271.23</b>                          |

**NOTE: 35 | EMPLOYEE BENEFIT EXPENSES**

| Particulars                                    | (₹ in Lakhs)                           |  |
|--|--|--|
|  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Salaries & wages                               | 12,678.80                              | 9,825.90                               |
| Contribution to provident fund and other funds | 511.52                                 | 428.72                                 |
| Employees Welfare expenses                     | 621.38                                 | 495.02                                 |
|  | <b>13,811.70</b>                       | <b>10,749.64</b>                       |

Note 35.1 : Employee Cost is inclusive of remuneration paid to Directors and Key management personnels (Refer note 48)

Note 35.2 : Salaries & Wages expenses of ₹ 533.32 lakhs (March 31, 2022- Nil) related to employees deployed in projects has been transferred to Capital Work-in-progress during the year.

**NOTE: 36 | FINANCE COSTS**

| Particulars  | (₹ in Lakhs)                           |  |
|--|--|--|
|  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| <b>Interest expense:</b>                                 |  |  |
| - On borrowings (measured at amortised cost)             | 1,048.21                               | 1,036.97                               |
| - On lease liability                                     | 42.90                                  | 40.18                                  |
| - On unwinding of discount on site restoration provision | 6.90                                   | -                                      |
| - Others   | 30.47                                  | -                                      |
| Other Borrowing costs                                    | 122.65                                 | 159.04                                 |
|  | <b>1,251.13</b>                        | <b>1,236.19</b>                        |

Note 36.1 : Interest to others include interest on income tax ₹ 15.56 lakhs ( March 31, 2022- Nil)

Note 36.2 : Interest of ₹ 144.33 lakhs ( March 31, 2022- Nil) is capitalised during the year as pre- operative expenses in Capital work in progress. The rate of interest capitalised is ranging from 6.60% to 9.20%.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 37 | DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars                                   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Depreciation on Property, plant and equipment | 7,412.98                               | 6,965.22                               |
| Depreciation on right-of-use- assets          | 210.60                                 | 236.63                                 |
| Amortisation of Intangible Assets             | 128.05                                 | 13.00                                  |
|   | <b>7,751.63</b>                        | <b>7,214.85</b>                        |

Note 37.1 : Above mentioned depreciation on property, plant & equipment is net off amortisation of Government Grant of ₹12.87 Lakhs (31 March, 2022 – ₹18.47 Lakhs) and capitalised depreciation of ₹126.15 Lakhs (31 March, 2022 – Nil) to Capital Work in Progress, pertaining to pre-operative expenses.

### NOTE: 38 | OTHER EXPENSES

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Consumption of stores & spares  | 1,152.60                               | 542.14                                 |
| Packing materials   | 8,579.41                               | 7,984.30                               |
| Repairs & maintenance   |  |  |
| - Building  | 160.23                                 | 513.47                                 |
| - Plant & machinery   | 1,878.52                               | 1,440.99                               |
| - Others  | 1,150.74                               | 616.72                                 |
| Heavy vehicle / equipment running expenses                              | 1,110.78                               | 604.76                                 |
| Rent  | 269.46                                 | 336.15                                 |
| Travelling and conveyance   | 974.67                                 | 726.24                                 |
| Insurance   | 311.68                                 | 199.42                                 |
| Rates & Taxes   | 3,456.27                               | 1,046.02                               |
| Research & development expenses   | 21.23                                  | 44.50                                  |
| Charity & donation (Refer note 38.2)                                    | 707.13                                 | 1,072.15                               |
| Allowance for credit losses on trade receivables                        | 204.73                                 | 4.99                                   |
| Professional & Consultancy fees   | 2,791.62                               | 1,961.38                               |
| Miscellaneous expenses (including payment to auditors, refer note 38.1) | 3,972.21                               | 3,280.58                               |
| CSR expenses [Refer note 49]  | 649.77                                 | 718.56                                 |
| Advertisement & publicity   | 3,423.48                               | 4,380.38                               |
| Sales promotion expenses  | 1,232.93                               | 762.85                                 |
| Brokerage & Commission  | 1,665.16                               | 1,323.68                               |
|   | <b>33,712.62</b>                       | <b>27,559.28</b>                       |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 38 | OTHER EXPENSES (Contd.)**
**38.1: Payment to Auditors**

| Particulars                           | (₹ in Lakhs)                           |  |
|---------------------------------------|--|--|
|                                       | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| i) Statutory Audit Fees               | 13.00                                  | 12.50                                  |
| ii) Limited Review Fees (#)           | 7.50                                   | 6.00                                   |
| iii) In other capacity:               |  |  |
| Certification Fees and other services | -                                      | 0.70                                   |
| Tax Audit fees                        | 5.75                                   | -                                      |
| Reimbursement of expenses             | 0.72                                   | 0.62                                   |
|                                       | <b>26.97</b>                           | <b>19.82</b>                           |

# Includes ₹ 1.50 Lakhs paid in current year to erstwhile Auditor.

**38.2: Donation to political parties**

| Particulars                   | (₹ in Lakhs)                           |  |
|-------------------------------|--|--|
|                               | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Donation to Political Parties | -                                      | 500.00                                 |
|                               | -                                      | <b>500.00</b>                          |

**NOTE: 39 | TAX EXPENSES**

| Particulars  | (₹ in Lakhs)                           |  |
|--|--|--|
|  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| <b>(a) Current tax</b>                             |  |  |
| Current tax on profits for the year                | 4,397.01                               | 2,907.27                               |
| <b>Total current tax expense</b>                   | <b>4,397.01</b>                        | <b>2,907.27</b>                        |
| <b>(b) Deferred tax</b>                            |  |  |
| Deferred tax                                       | 4,857.92                               | (3,497.00)                             |
| <b>Total deferred income tax expense/(benefit)</b> | <b>4,857.92</b>                        | <b>(3,497.00)</b>                      |
| <b>(c) Tax in respect of earlier years</b>         | (772.82)                               | (4.92)                                 |
| <b>Tax expenses</b>                                | <b>8,482.11</b>                        | <b>(594.65)</b>                        |

**Note 39.1: Reconciliation of tax expense and the accounting profit multiplied by corporate tax rate:**

| Particulars  | (₹ in Lakhs)                           |  |
|--|--|--|
|  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Profit before tax  | 24,884.16                              | 17,037.52                              |
| <b>Tax at the corporate tax rate of 34.944% (31st March, 2022 - 34.944%)</b> | <b>8,695.52</b>                        | <b>5,953.59</b>                        |
| Items not deductible under Income Tax Act, 1961                              | 232.26                                 | 204.33                                 |
| Effect of allowances/ tax holidays for tax purpose                           | -                                      | (6,157.92)                             |
| Related to earlier years   | (772.82)                               | (4.92)                                 |
| Others   | 327.15                                 | (589.73)                               |
| <b>Tax expenses</b>  | <b>8,482.11</b>                        | <b>(594.65)</b>                        |

**Note 39.2:** The Corporate Tax Rate used for the year 2022-23 and 2021-22 for above reconciliation is 34.944% ( 30%+ surcharge @12% + education cess @4% ) payable on taxable profits under the Income Tax Act, 1961.

**Note 39.3:** During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 ( such as search or survey or any other relevant provision of the Income tax Act, 1961 ). Accordingly, there are no transactions which are not recorded in the books of accounts.

**Note 39.4:** The tax holiday period enjoyed by Company's Guwahati Grinding Unit u/s 801E of income Tax Act, 1961 has ended in the financial year 2021-22 leading to an overall increase in the company's tax expenditure.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 40A COMPONENTS OF OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Items that will not be reclassified to Statement of Profit and Loss |  |  |
| Remeasurement of defined benefit plans                              | 47.56                                  | 3.52                                   |
|   | <b>47.56</b>                           | <b>3.52</b>                            |

### NOTE: 40B EARNINGS PER SHARE

#### Basic earnings per share

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| (i) Profit attributable to equity holders of the Company used in calculating basic and diluted earning per share | 16,402.05                              | 17,632.17                              |
| (ii) Weighted average number of equity shares used as the denominator in calculating basic earnings per share    | 40,41,80,417                           | 40,85,87,193                           |
| (iii) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share | 40,41,80,417                           | 40,85,87,193                           |
| (iv) Earning per share ( in ₹ )  |  |  |
| Face value of Equity shares  | 1.00                                   | 1.00                                   |
| Basic  | 4.06                                   | 4.32                                   |
| Diluted  | 4.06                                   | 4.32                                   |

### NOTE: 41 EMPLOYEES BENEFIT OBLIGATIONS

#### (a) 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.

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<br>of obligation | Fair value of plan<br>assets | Net amount    |
|--|--------------------------------|------------------------------|---------------|
| <b>As at 1st April, 2021</b>   | <b>561.86</b>                  | <b>(172.69)</b>              | <b>389.17</b> |
| Current service cost   | 73.52                          | -                            | 73.52         |
| Interest expense/(income)  | 38.77                          | (20.29)                      | 18.48         |
| <b>Total amount recognised in profit or loss</b>                               | <b>112.29</b>                  | <b>(20.29)</b>               | <b>92.00</b>  |
| Remeasurements :   |                                |                              |               |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                              | 4.74                         | 4.74          |
| Actuarial (gain)/loss from change in financial assumptions                     | (0.72)                         | -                            | (0.72)        |
| Actuarial (gain)/loss from unexpected experience                               | (7.54)                         | -                            | (7.54)        |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>(8.26)</b>                  | <b>4.74</b>                  | <b>(3.52)</b> |
| Employer contributions/ premium paid   | -                              | (300.00)                     | (300.00)      |
| Benefit paid   | (57.18)                        | 57.18                        | -             |
| <b>As at 31st March, 2022</b>  | <b>608.71</b>                  | <b>(431.06)</b>              | <b>177.65</b> |



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 41 | EMPLOYEES BENEFIT OBLIGATIONS (Contd.)**

(₹ in Lakhs)

| Particulars  | Present value of obligation | Fair value of plan assets | Net amount     |
|--|-----------------------------|---------------------------|----------------|
| <b>As at 1st April, 2022</b>   | <b>608.71</b>               | <b>(431.06)</b>           | <b>177.65</b>  |
| Current service cost   | 104.74                      | -                         | 104.74         |
| Interest expense/(income)  | 43.22                       | (29.01)                   | 14.21          |
| <b>Total amount recognised in profit or loss</b>                               | <b>147.96</b>               | <b>(29.01)</b>            | <b>118.95</b>  |
| Remeasurements:  |                             |                           |                |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | (0.02)                    | (0.02)         |
| Actuarial (gain)/loss from change in financial assumptions                     | 5.53                        | -                         | 5.53           |
| Actuarial (gain)/loss from unexpected experience                               | (53.07)                     | -                         | (53.07)        |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>(47.54)</b>              | <b>(0.02)</b>             | <b>(47.56)</b> |
| Employer contributions/ premium paid   | -                           | -                         | -              |
| Benefit paid   | (44.96)                     | 44.96                     | -              |
| <b>As at 31st March, 2023</b>  | <b>664.17</b>               | <b>(415.13)</b>           | <b>249.04</b>  |

**Net asset / (liability) recognised in the balance sheet**

(₹ in Lakhs)

| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Present value of Defined Benefit Obligation         | 664.17                 | 608.71                 |
| Fair Value of Plan Assets                           | (415.13)               | (431.06)               |
| <b>Net Asset / (Liability) in the Balance Sheet</b> | <b>249.04</b>          | <b>177.65</b>          |
| Current Asset/(liability)                           | 83.62                  | 67.00                  |
| Non-Current Asset/(liability)                       | 165.42                 | 110.65                 |

**(ii) Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows:

| Particulars                   | As at 31st March, 2023  | As at 31st March, 2022  |
|-------------------------------|-------------------------|-------------------------|
| Discount rate                 | 7.40%                   | 7.10%                   |
| Expected return on plan asset | 7.40%                   | 7.10%                   |
| Salary growth rate            | 6.00%                   | 6.00%                   |
| Withdrawal rate               | 1% to 8%                | 1% to 8%                |
| Mortality rate                | IALM (2012-14)<br>Table | IALM (2012-14)<br>Table |

**(iii) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lakhs)

| Particulars                 | Impact on defined benefit obligation |          |                        |          |
|-----------------------------|--------------------------------------|----------|------------------------|----------|
|                             | As at 31st March, 2023               |          | As at 31st March, 2022 |          |
|                             | Increase                             | Decrease | Increase               | Decrease |
| Discount rate (-/+ 1%)      | (615.04)                             | 723.58   | (560.15)               | 664.59   |
| Salary growth rate (-/+ 1%) | 721.27                               | (615.65) | 660.80                 | (562.07) |
| Withdrawal rate (-/+ 1%)    | 670.01                               | (660.46) | 612.94                 | (603.94) |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 41 | EMPLOYEES BENEFIT OBLIGATIONS (Contd.)

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 years.

#### (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.

| Major Categories of Plan Assets as a percentage of total plan assets | Gratuity (Funded)         |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| 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.

#### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2024 are ₹ 126.12 Lakhs (31st March, 2023 - ₹ 88.42 Lakhs)

The weighted average duration of the defined benefit obligation is 5.56-5.77 years (31st March, 2022: 5.22-5.77 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars            | (₹ in Lakhs)     |                     |              |
|------------------------|------------------|---------------------|--------------|
|                        | Less than a year | Between 1 - 5 years | Over 5 years |
| As at 31st March, 2023 | 83.62            | 74.52               | 267.99       |
| As at 31st March, 2022 | 67.00            | 173.40              | 255.20       |

#### b) Defined Contribution Plan:

In respect of defined contribution plan, with respect to provident fund contribution and pension fund contribution, an amount of ₹ 360.60 Lakhs (March 31, 2022: ₹ 308.49 Lakhs) has been recognised as expenses in the statement of Profit and loss during the year.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 42 | CAPITAL MANAGEMENT

#### Risk management

The primary objective of capital management is to ensure the maintenance of healthy capital ratio in order to support its business and maximise shareholder value. The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31st March, 2023 as compared to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported year. The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity, and debt comprises long and short term borrowings including current maturities of these borrowings. The following table summarises long term debt and equity of the Company.

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| Long term Borrowings                                    | 2,913.08                  | 7,218.08                  |
| Short-term Borrowings                                   | 847.18                    | 405.36                    |
| Less: Cash and Cash equivalent                          | 11,641.48                 | 477.45                    |
| Less: Bank balances Other than Cash and Cash equivalent | 9,110.29                  | 23,154.87                 |
| <b>Net Debt</b>   | <b>(16,991.51)</b>        | <b>(16,008.88)</b>        |
| <b>Total Equity</b>                                     | <b>1,46,369.84</b>        | <b>1,29,936.85</b>        |
| Capital and net debt                                    | 1,29,378.33               | 1,13,927.97               |
| Gearing ratio   | -                         | -                         |

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

### NOTE: 43 | FINANCIAL INSTRUMENTS BY CATEGORY

(₹ in Lakhs)

| Particulars                                     | As at 31st March, 2023 |   |                  | As at 31st March, 2022 |   |                  |
|---|------------------------|---|------------------|------------------------|---|------------------|
|   | Amortised cost         | Fair Value through Profit or Loss (FVTPL) | Carrying Amount  | Amortised cost         | Fair Value through Profit or Loss (FVTPL) | Carrying Amount  |
| <b>Financial assets</b>                         |                        |   |                  |                        |   |                  |
| (i) Investments                                 | 6,735.79               | 156.86                                    | 6,892.65         | 12,871.25              | 150.10                                    | 13,021.35        |
| (ii) Loans                                      | 3,916.49               | -   | 3,916.49         | 1,686.05               | -   | 1,686.05         |
| (iii) Trade receivables                         | 9,755.83               | -   | 9,755.83         | 12,877.82              | -   | 12,877.82        |
| (iv) Cash and cash equivalent                   | 11,641.48              | -   | 11,641.48        | 477.45                 | -   | 477.45           |
| (v) Balance with banks { Other than (iv) above} | 9,110.29               | -   | 9,110.29         | 23,154.87              | -   | 23,154.87        |
| (vi) Other financial assets                     | 4,166.06               | -   | 4,166.06         | 14,821.75              | -   | 14,821.75        |
|   | <b>45,325.94</b>       | <b>156.86</b>                             | <b>45,482.80</b> | <b>65,889.19</b>       | <b>150.10</b>                             | <b>66,039.29</b> |
| <b>Financial liabilities</b>                    |                        |   |                  |                        |   |                  |
| (i) Borrowing                                   | 3,760.26               | -   | 3,760.26         | 7,623.44               | -   | 7,623.44         |
| (ii) Security deposit                           | 16,630.73              | -   | 16,630.73        | 15,534.89              | -   | 15,534.89        |
| (iii) Lease Liabilities                         | 624.39                 | -   | 624.39           | 748.01                 | -   | 748.01           |
| (iv) Trade payable                              | 27,307.53              | -   | 27,307.53        | 22,316.61              | -   | 22,316.61        |
| (v) Other financial liabilities                 | 12,325.26              | -   | 12,325.26        | 7,059.60               | -   | 7,059.60         |
|   | <b>60,648.17</b>       | <b>-</b>                                  | <b>60,648.17</b> | <b>53,282.55</b>       | <b>-</b>                                  | <b>53,282.55</b> |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 43 | FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)

#### (i) Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

**Level 1:** This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

**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

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- (a) The fair value of cash and cash equivalents, trade receivables and payables, short-term loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the Company.
- (b) Investments (other than Investments in Subsidiaries) traded in the active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of bonds where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on historical net asset value as per the latest audited financial statements after considering the impact of fair valuation of immovable properties which is based on valuation report from independent valuer.

#### (iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

| Particulars                                 | As at 31st March, 2023 |          |               | As at 31st March, 2022 |          |               |
|---|------------------------|----------|---------------|------------------------|----------|---------------|
|   | Level 1                | Level 2  | Level 3       | Level 1                | Level 2  | Level 3       |
| Financial assets                            |                        |          |               |                        |          |               |
| Investment in equity instruments (Quoted)   | 0.87                   | -        | -             | 1.18                   | -        | -             |
| Investment in equity instruments (Unquoted) | -                      | -        | 155.99        | -                      | -        | 148.92        |
| <b>Total financial assets</b>               | <b>0.87</b>            | <b>-</b> | <b>155.99</b> | <b>1.18</b>            | <b>-</b> | <b>148.92</b> |

During the reporting period ending 31st March, 2023 and 31st March, 2022 there was no transfer between level 1 and level 2 fair value measurement.

The carrying amount of Cash and cash equivalents, Bank balances (other than cash and cash equivalents), investment in bonds, security deposits, loans and other financial assets, trade receivables, trade payables, security deposits and retention money and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 43 | FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)**
**(iv) Fair value of financial assets and liabilities measured at amortised cost**

(₹ in Lakhs)

| Particulars                                     | As at 31st March, 2023 |                  | As at 31st March, 2022 |                  |
|---|------------------------|------------------|------------------------|------------------|
|   | Carrying amount        | Fair value       | Carrying amount        | Fair value       |
| <b>Financial assets</b>                         |                        |                  |                        |                  |
| (i) Investments                                 | 6,735.79               | 6,830.62         | 12,871.25              | 12,967.81        |
| (ii) Loans                                      | 3,916.49               | 3,916.49         | 1,686.05               | 1,686.05         |
| (iii) Trade receivables                         | 9,755.83               | 9,755.83         | 12,877.82              | 12,877.82        |
| (iv) Cash and cash equivalent                   | 11,641.48              | 11,641.48        | 477.45                 | 477.45           |
| (v) Balance with banks { Other than (iv) above} | 9,110.29               | 9,110.29         | 23,154.87              | 23,154.87        |
| (vi) Other financial assets                     | 4,166.06               | 4,166.06         | 14,821.75              | 14,821.75        |
| <b>Total financial assets</b>                   | <b>45,325.94</b>       | <b>45,420.77</b> | <b>65,889.19</b>       | <b>65,985.75</b> |
| <b>Financial liabilities</b>                    |                        |                  |                        |                  |
| (i) Borrowing                                   | 3,760.26               | 3,760.26         | 7,623.44               | 7,623.44         |
| (ii) Security deposit                           | 16,630.73              | 16,630.73        | 15,534.89              | 15,534.89        |
| (iii) Lease Liabilities                         | 624.39                 | 624.39           | 748.01                 | 748.01           |
| (iv) Trade payable                              | 27,307.53              | 27,307.53        | 22,316.61              | 22,316.61        |
| (v) Other financial liabilities                 | 12,325.26              | 12,325.26        | 7,059.60               | 7,059.60         |
| <b>Total financial liabilities</b>              | <b>60,648.17</b>       | <b>60,648.17</b> | <b>53,282.55</b>       | <b>53,282.55</b> |

**(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 see 43(ii).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 44 | 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:

#### (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) and from its financing activities including deposits placed with banks and financial institution and other financial instruments.

##### i) Trade receivables

Customer credit risk is managed by each business unit as per the Company's established policies, procedures and defined 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 deposits from its customers which mitigates the credit risk. . No single customer accounted for 10% or more of the Company's net sales. Therefore, the Company does not expect any material risk on account of non-performance by any of its counterparties. For expected credit loss as at each reporting date the Company assesses position of the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired.

For trade receivables, the Company compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

|                               | (₹ in Lakhs)  |
|-------------------------------|---------------|
| <b>As at 1st April, 2021</b>  | <b>54.11</b>  |
| Provided during the year      | 4.99          |
| Amount utilised               | -             |
| Reversal of Provision         | -             |
| <b>As at 31st March, 2022</b> | <b>59.10</b>  |
| Provided during the year      | 204.73        |
| Amount utilised               | -             |
| Reversal of Provision         | -             |
| <b>As at 31st March, 2023</b> | <b>263.83</b> |

##### ii) Financial instruments and deposits

Credit risk pertaining to balances with banks and financial institutions is managed by the Company's treasury department in accordance with its policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Company's Board of Directors.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, equity share application monies, loans & interest thereon and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31st March, 2023 and 31st March, 2022 is the carrying amounts as illustrated in Note 43.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 44 | 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 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)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Expiring within one year (bank overdraft and other facilities) | 9,252.82                  | 12,694.64                 |
|  | <b>9,252.82</b>           | <b>12,694.64</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 Indian Rupee (INR)

#### 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)   |                     |                         |                      |                  |
|--|---------------------|-------------------------|----------------------|------------------|
| Contractual maturities of financial liabilities<br>- 31st March, 2023* | Less than<br>1 year | Between<br>1 to 5 years | More than<br>5 years | Total            |
| Borrowing  | 847.18              | 2,913.08                | -                    | 3,760.26         |
| Trade payables   | 27,307.53           | -                       | -                    | 27,307.53        |
| Lease Liabilities  | 225.87              | 342.48                  | 176.09               | 744.44           |
| Other payables   | 12,325.26           | -                       | -                    | 12,325.26        |
| <b>Total financial liabilities</b>                                     | <b>40,705.84</b>    | <b>3,255.56</b>         | <b>176.09</b>        | <b>44,137.49</b> |

| (₹ in Lakhs)   |                     |                         |                      |                  |
|--|---------------------|-------------------------|----------------------|------------------|
| Contractual maturities of financial liabilities<br>- 31st March, 2022* | Less than<br>1 year | Between<br>1 to 5 years | More than<br>5 years | Total            |
| Borrowing  | 405.36              | 7,218.08                | -                    | 7,623.44         |
| Trade payables   | 22,316.61           | -                       | -                    | 22,316.61        |
| Lease Liabilities  | 200.26              | 317.38                  | 237.60               | 755.24           |
| Other payables   | 7,059.60            | -                       | -                    | 7,059.60         |
| <b>Total financial liabilities</b>                                     | <b>29,981.83</b>    | <b>7,535.46</b>         | <b>237.60</b>        | <b>37,754.89</b> |

\*Security deposit received from customers 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 44 | FINANCIAL RISK MANAGEMENT (Contd.)

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's liability towards trade or other payables denominated in foreign currency. In view of low proportion of import, as compared to the overall operations, the exposure of the Company to foreign exchange risk is insignificant and thus Company does not enter into any derivative financial contracts. Foreign currency denominated balances lying in the books of accounts as on March 31, 2023 and March 31, 2022 are as follows:

| Currency                                     | Nature           | (₹ in Lakhs)              |                           |
|--|------------------|---------------------------|---------------------------|
|  |                  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| EURO   | Letter of Credit | 3,031.43                  | -                         |
| <b>Net exposure to foreign currency risk</b> |                  | <b>3,031.43</b>           | <b>-</b>                  |

#### Sensitivity

Profit or loss is sensitive to higher/lower change as a result of changes in foreign exchange fluctuation as below:

| Particulars   | (₹ in Lakhs)                              |   |
|---|---|---|
|   | Impact on profit before tax               |   |
|   | For the year<br>ended 31st<br>March, 2023 | For the year<br>ended 31st<br>March, 2022 |
| Foreign exchange fluctuation – Strengthening of ₹ by 5% | (151.57)                                  | -   |
| Foreign exchange fluctuation – Weakening of ₹ by 5%     | 151.57                                    | -   |

#### (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 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, 2023 and 31st March, 2022, the Company's borrowings at variable rate were denominated in Indian Rupee (INR).

The Company's Deposit taken from dealers is at fixed rate and measured 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 Company's financial liabilities to interest rate risk is as follows:

| Particulars              | (₹ in Lakhs)              |                           |
|--------------------------|---------------------------|---------------------------|
|                          | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Variable rate borrowings | 3,760.26                  | 7,623.45                  |
| <b>Total borrowings</b>  | <b>3,760.26</b>           | <b>7,623.45</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               |   |
|   | For the year<br>ended 31st<br>March, 2023 | For the year<br>ended 31st<br>March, 2022 |
| Interest expense rates – increase by 50 basis points* | (18.80)                                   | (38.12)                                   |
| Interest expense rates – decrease by 50 basis points* | 18.80                                     | 38.12                                     |

\* Interest rate sensitivity has been calculated assuming the borrowing outstanding at the reporting date have been outstanding for the entire period

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 44 | FINANCIAL RISK MANAGEMENT (Contd.)

#### (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 investment in equity securities:

| Particulars      | Impact on profit before tax            |  |
|------------------|--|--|
|                  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Increase by 5% * | 7.84                                   | 7.51                                   |
| Decrease by 5% * | (7.84)                                 | (7.51)                                 |

(₹ in Lakhs)

\* Holding all other variables constant

### NOTE: 45 | LEASE

- a) The Company has entered into agreements for taking on lease certain offices / warehouses on lease and license basis. The lease term is for a period ranging from 2 to 9 years, on fixed rental basis with escalation clauses in the lease agreements. In addition to the above, the Company has certain leasehold land under finance lease arrangements for terms ranging for 99 years which has been reclassified from Freehold land and site development to right of use assets.
- b) The Company also has certain leases of buildings with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.
- c) Lease liabilities are recognised at weighted average incremental borrowing rate of 4.76% to 8.81% . Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the year.
- d) **Movement of lease liabilities**

| Particulars                              | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Opening balance</b>                   | 748.01                    | 279.49                    |
| Additions                                | 132.05                    | 842.57                    |
| Deletions                                | (61.99)                   | (144.96)                  |
| Add: Interest recognised during the year | 42.90                     | 40.18                     |
| Less: Payments made                      | (236.58)                  | (269.27)                  |
| <b>Closing balance</b>                   | <b>624.39</b>             | <b>748.01</b>             |
| <b>Non Current Lease Liability</b>       | <b>446.86</b>             | <b>553.65</b>             |
| <b>Current Lease Liability</b>           | <b>177.53</b>             | <b>194.36</b>             |

- e) **Amount recognised in Profit or Loss**

| Particulars                                 | (₹ in Lakhs)                           |  |
|---|--|--|
|   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Interest expense on lease liabilities       | 42.90                                  | 40.18                                  |
| Depreciation expense of right-of-use assets | 210.60                                 | 236.63                                 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 45 | LEASE (Contd.)

#### f) Future payment of lease liabilities on an undiscounted basis

As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under Liquidity risk {Refer Note 44B}. The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

| Particulars                                 | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Less than one year                          | 225.87                    | 200.26                    |
| One to two years                            | 122.42                    | 164.95                    |
| Two to five years                           | 220.06                    | 152.43                    |
| More than five years                        | 176.09                    | 237.60                    |
| <b>Total undiscounted Lease Liabilities</b> | <b>744.44</b>             | <b>755.24</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 obligation related to lease liabilities as and when they fall due.

### NOTE: 46 | CONTINGENT LIABILITY & CAPITAL COMMITMENTS

#### i) Contingent Liability

| Sl. No | Particulars   | (₹ in Lakhs)              |                           |
|--------|---|---------------------------|---------------------------|
|        |   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| 1      | Claims against the Company not acknowledge as debts : |                           |                           |
|        | - Income tax demand                                   | 65.67                     | 52.17                     |
|        | - Excise duty demand {Refer note 46 (a)}              | 617.47                    | 637.44                    |
|        | - Royalty & cess demand {Refer note 46 (b)}           | 4,184.06                  | 4,184.06                  |
|        | - Royalty & cess demand {Refer note 46 (c)}           | 2,162.43                  | -                         |
|        | - Demand of Custom Duty                               | 22.51                     | 22.51                     |
|        | - Service tax demand                                  | 599.77                    | 599.77                    |
|        | - Goods & service tax demand                          | 2,217.21                  | 2,217.21                  |
|        | - Others  | 138.27                    | 138.27                    |
|        |   | <b>10,007.39</b>          | <b>7,851.43</b>           |

#### ii) Commitments

| Sl. No | Particulars  | (₹ in Lakhs)              |                           |
|--------|--|---------------------------|---------------------------|
|        |  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| 1      | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 39,806.17                 | 870.63                    |
| 2      | Letters of credit issued by bank   | 3,902.00                  | 469.07                    |
| 3      | Bank guarantee given   | 5,944.00                  | 7963.89                   |

**Note:** Based on legal opinion / decisions in similar cases, the Company 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 Hon'ble High Court of Meghalaya dated 30-08-2018 following the decision of the Hon'ble Supreme Court dated 10-11-2017 passed in SRD Nutrients Private Limited Vs. Commissioner of Central Excise, Guwahati, Company had received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 566.05 Lakhs in an earlier year. However, the Apex court vide its order dated 06-12-2019 has 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 Hon'ble Meghalaya High

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 46 | CONTINGENT LIABILITY & CAPITAL COMMITMENTS (Contd.)**

Court against the above demand letter. Hon'ble Meghalaya High Court has stayed the said demand vide its order dated 16-06-2020 and the matter is subjudice. Based on the legal advice obtained by the Company from an External Counsel and based on its own assessment there is every likelihood that the said demand shall 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 17th January, 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 did not purchase any illegal coal and had 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 neither the Company has 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 17th January, 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 Hon'ble Supreme Court of India against the NGT Order. The Hon'ble Supreme Court in its Order dated 2nd May, 2023 has set the Order of NGT and remand back the same to NGT for its further considerations and accordingly, no provisions has been made in the accounts.
- (c) During the year the Company has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards outstanding dues of royalty & Cess on Coal, Sandstone, Clay and Shale procured/consumed by the Company in certain specific periods between FY 09-10 to FY 22-23 amounting to ₹ 2,650.31 Lakhs (including ₹ 1,552.61 Lakhs towards Penal Interest). As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/ consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence, there is no obligation of the Company to pay royalty/cess in case the minerals are procured from third party vendors. However, as an abundant precaution, the Company has kept liability towards Royalty & Cess on above mineral products amounting to ₹ 487.88 Lakhs (including net additional provision of ₹ 89.79 Lakhs during the year). Since the liability to pay royalty & Cess itself is not applicable to the Company, hence provision for differential amount of demand amounting to ₹ 609.82 Lakhs and penal interest amounting to ₹ 1,552.61 Lakhs has not been provided and shown as contingent liability. The Company shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favour of the Company.

**NOTE: 47 | COST OF MATERIAL CONSUMED (REFER NOTE 33) INCLUDES THE VARIOUS EXPENSES RELATING TO MINING OF LIMESTONE. THE NATURE AND SEGREGATION OF SUCH EXPENSE ARE AS FOLLOWS:**

(₹ in Lakhs)

| Sl. No       | Particulars                    | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--------------|--------------------------------|--|--|
| (i)          | Consumption of stores & spares | 94.00                                  | 41.84                                  |
| (ii)         | Power & fuel                   | 389.27                                 | 212.20                                 |
| (iii)        | Miscellaneous                  | 728.98                                 | 390.76                                 |
| (iv)         | Rates & Taxes- Royalty         | 1,542.34                               | 1,043.85                               |
| <b>Total</b> |                                | <b>2,754.59</b>                        | <b>1,688.65</b>                        |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 48 | 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  |
|   | Star Cement (I) Limited (SCIL)  | Subsidiary Company ( w.e.f May 20, 2021)  |
|   | Star Cement North East Limited (SCNEL)  | Subsidiary Company ( w.e.f May 20, 2021)  |
|   | <b>Others related parties</b>   |   |
|   | <b>I. Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel :</b> |   |
|   | Century Plyboards (India) Limited (CPIL)  | Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel |
|   | Shyam Century Ferrous Limited (SCFL)  |   |
|   | Shyam Sel & Power Limited. (SSPL)   |   |
|   | Profound Cement Works Limited (PCWL)  |   |
|   | Century LED Limited (CLL)   |   |
|   | Namchic Tea Estate Private Limited (NTEPL)  |   |
|   | Nefa Udyog (NU)   |   |
|   | <b>II. Key Management Personnel</b>   |   |
|   | Mr. Sajjan Bhajanka   | Chairman & Managing Director & CEO ( CEO w.e.f February 1,2022)   |
|   | Mr. Rajendra Chamaria   | Vice Chairman & Managing Director   |
|   | Mr. Sanjay Agarwal  | Managing Director   |
|   | Mr. Prem Kumar Bhajanka   | Director upto 12th August, 2021; Managing Director (w.e.f August 13, 2021)  |
|   | Mr. Pankaj Kejriwal   | Whole Time Director & Chief Operating Officer(COO) ( w.e.f February 1, 2022 and upto May 19, 2023), Executive Director (w.e.f May 19, 2023)       |
|   | Mr. Deepak Singhal  | Director (w.e.f June 29, 2022)  |
|   | Mr. Brij Bhushan Agarwal  | Director (w.e.f February 1, 2022)   |
|   | Mrs. Plistina Dkhar   | Director  |
|   | Mr. Amit Kiran Deb  | Director  |
|   | Mrs. Ibaridor Katherine War   | Director  |
|   | Mr. Nirmalya Bhattacharya   | Director (w.e.f February 1, 2022)   |
|   | Mr. Santanu Ray   | Director (upto March 31, 2022)  |
|   | Mr. Pramod Kumar Shah   | Director ( upto March 31, 2023)   |
|   | Mr. Sanjay kumar Gupta  | Chief Executive Officer (upto 31st January, 2022 )  |
|   | Mr. Vivek Chawla  | Independent Director (w.e.f April 1, 2023)  |
|   | Mr. Ramit Budhraj   | Independent Director (w.e.f May 1, 2023)  |
|   | Mr. Jagdish Chandra Toshniwal   | Independent Director (w.e.f April 1, 2023)  |
|   | Mr. Manoj Agarwal   | Chief Financial Officer (CFO)   |
|   | Mr. Debabrata Thakurta  | Company Secretary (CS)  |
|   | <b>III. Close family members 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   |
|   | Mr. Tushar Bhajanka   | Son of Mr. Prem Kumar Bhajanka, Managing Director   |
|   | Mrs. Renu Chamaria  | Spouse of Mr. Rajendra Chamaria, Vice Chairman & Managing Director  |
|   | Rahul Chamaria (HUF)  | HUF of Mr. Rahul Chamaria, son of Rajendra Chamaria, Vice Chairman & Managing Director  |
|   | Rajendra Udyog (HUF)  | HUF of Mr. Rajendra Chamaria, Vice Chairman & Managing Director   |
|   | Mrs.Yash Bala Bhajanka  | Spouse of Mr. Prem Kumar Bhajanka, Managing Director  |



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 48 | RELATED PARTY DISCLOSURES (Contd.)**

Details of transactions between the Company and related parties and the status of outstanding balances :

(₹ in Lakhs)

| B                                       | Nature of Transactions  | Subsidiaries                        |                                     | Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel |                                     | Key Management Personnel and their close family members |                                     |
|---|-------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|---|-------------------------------------|
|   |                         | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 | For the year ended 31st March, 2023   | For the year ended 31st March, 2022 | For the year ended 31st March, 2023                     | For the year ended 31st March, 2022 |
| <b>1. Purchase Transactions</b>         |                         |                                     |                                     |   |                                     |   |                                     |
|   | MPL                     | 7,037.96                            | 7,030.72                            | -   | -                                   | -   | -                                   |
|   | MTEPL                   | 2,302.71                            | 20.49                               | -   | -                                   | -   | -                                   |
|   | SCML                    | 1,12,086.02                         | 94,956.90                           | -   | -                                   | -   | -                                   |
|   | CLL                     | -                                   | -                                   | 11.42   | -                                   | -   | -                                   |
| <b>2. Sale Transactions</b>             |                         |                                     |                                     |   |                                     |   |                                     |
|   | MTEPL                   | 122.37                              | 6.51                                | -   | -                                   | -   | -                                   |
|   | SCML                    | 4,993.33                            | 3,182.64                            | -   | -                                   | -   | -                                   |
|   | MPL                     | 72.45                               | 125.79                              | -   | -                                   | -   | -                                   |
|   | SCNEL                   | 125.88                              | -                                   | -   | -                                   | -   | -                                   |
|   | CPIL                    | -                                   | -                                   | 30.02   | 24.03                               | -   | -                                   |
|   | NTEPL                   | -                                   | -                                   | 4.20  | -                                   | -   | -                                   |
|   | Mr. Prem Kumar Bhajanka | -                                   | -                                   | -   | -                                   | 9.45  | -                                   |
| <b>3. Services Rendered</b>             |                         |                                     |                                     |   |                                     |   |                                     |
|   | MTEPL                   | 0.11                                | 0.04                                | -   | -                                   | -   | -                                   |
|   | SCML                    | -                                   | 6.60                                | -   | -                                   | -   | -                                   |
| <b>4. Service Received</b>              |                         |                                     |                                     |   |                                     |   |                                     |
|   | SCML                    | 2,480.57                            | 940.39                              | -   | -                                   | -   | -                                   |
|   | CPIL                    | -                                   | -                                   | 156.03  | 117.60                              | -   | -                                   |
|   | NU                      | -                                   | -                                   | 1.60  | 6.12                                | -   | -                                   |
|   | Rahul Chamaria (HUF)    | -                                   | -                                   | -   | -                                   | 10.86   | 4.70                                |
|   | Rajendra Udyog (HUF)    | -                                   | -                                   | -   | -                                   | 11.92   | 4.63                                |
|   | Mrs. Renu Chamaria      | -                                   | -                                   | -   | -                                   | 31.05   | 13.43                               |
|   | Mrs. Yash Bala Bhajanka | -                                   | -                                   | -   | -                                   | 12.50   | 12.50                               |
| <b>5. Purchase of Capital Goods</b>     |                         |                                     |                                     |   |                                     |   |                                     |
|   | SCML                    | 177.01                              | -                                   | -   | -                                   | -   | -                                   |
|   | SSPL                    | -                                   | -                                   | 4,600.74  | 26.51                               | -   | -                                   |
| <b>6. Sale of Capital Goods</b>         |                         |                                     |                                     |   |                                     |   |                                     |
|   | SCML                    | -                                   | 86.84                               | -   | -                                   | -   | -                                   |
| <b>7. Sale of Investment</b>            |                         |                                     |                                     |   |                                     |   |                                     |
|   | SCML                    | 4.00                                | -                                   | -   | -                                   | -   | -                                   |
| <b>8. Loan &amp; advances repaid to</b> |                         |                                     |                                     |   |                                     |   |                                     |
|   | MTEPL                   | 5,105.00                            | 4,315.37                            | -   | -                                   | -   | -                                   |
| <b>9. Loan Taken</b>                    |                         |                                     |                                     |   |                                     |   |                                     |
|   | MTEPL                   | 800.00                              | -                                   | -   | -                                   | -   | -                                   |
| <b>10. Loan Given</b>                   |                         |                                     |                                     |   |                                     |   |                                     |
|   | SCNEL                   | 3,937.29                            | 24.99                               | -   | -                                   | -   | -                                   |
|   | SCIL                    | 183.51                              | -                                   | -   | -                                   | -   | -                                   |
| <b>11. Loan repaid</b>                  |                         |                                     |                                     |   |                                     |   |                                     |
|   | SCNEL                   | 1,910.00                            | -                                   | -   | -                                   | -   | -                                   |
| <b>12. Security deposit Given</b>       |                         |                                     |                                     |   |                                     |   |                                     |
|   | Rahul Chamaria HUF      | -                                   | -                                   | -   | -                                   | 5.12  | -                                   |
|   | Rajendra Udyog (HUF)    | -                                   | -                                   | -   | -                                   | 5.05  | -                                   |
|   | Mrs. Renu Chamaria      | -                                   | -                                   | -   | -                                   | 14.65   | -                                   |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**

**NOTE: 48 | RELATED PARTY DISCLOSURES (Contd.)**

(₹ in Lakhs)

| B | Nature of Transactions                            | Subsidiaries                        |                                     | Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel |                                     | Key Management Personnel and their close family members |                                     |
|---|---|-------------------------------------|-------------------------------------|---|-------------------------------------|---|-------------------------------------|
|   |   | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 | For the year ended 31st March, 2023   | For the year ended 31st March, 2022 | For the year ended 31st March, 2023                     | For the year ended 31st March, 2022 |
|   | <b>13. Loan and advances repaid back</b>          |                                     |                                     |   |                                     |   |                                     |
|   | PCWL  | -                                   | -                                   | -   | 0.61                                | -   | -                                   |
|   | <b>14. Interest Paid</b>                          |                                     |                                     |   |                                     |   |                                     |
|   | MTEPL   | 459.73                              | 439.94                              | -   | -                                   | -   | -                                   |
|   | <b>15. Interest Received</b>                      |                                     |                                     |   |                                     |   |                                     |
|   | SCNEL   | 108.45                              | -                                   | -   | -                                   | -   | -                                   |
|   | SCIL  | 2.95                                | -                                   | -   | -                                   | -   | -                                   |
|   | <b>16. Investment in Equity Share Application</b> |                                     |                                     |   |                                     |   |                                     |
|   | SCNEL   | 1,200.00                            | -                                   | -   | -                                   | -   | -                                   |
|   | <b>17. 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. Prem Kumar Bhajanka                           | -                                   | -                                   | -   | -                                   | 366.33  | 125.40                              |
|   | Mr. Pankaj Kejrewal                               | -                                   | -                                   | -   | -                                   | 200.00  | 33.33                               |
|   | Mr. Sanjay kumar Gupta                            | -                                   | -                                   | -   | -                                   | -   | 249.91                              |
|   | Mr. Rahul Chamaria                                | -                                   | -                                   | -   | -                                   | 60.00   | 60.00                               |
|   | Mr. Sachin Chamaria                               | -                                   | -                                   | -   | -                                   | 60.00   | 60.00                               |
|   | Mr. Manoj Agarwal                                 | -                                   | -                                   | -   | -                                   | 95.92   | 80.90                               |
|   | Mr. Debabrata Thakurta                            | -                                   | -                                   | -   | -                                   | 31.39   | 28.15                               |
|   | <b>Sitting fees :</b>                             |                                     |                                     |   |                                     |   |                                     |
|   | Mrs. Ibaridor Katherine War                       | -                                   | -                                   | -   | -                                   | 0.25  | 0.25                                |
|   | Mrs. Plistina Dkhar                               | -                                   | -                                   | -   | -                                   | 0.25  | 0.25                                |
|   | Mr. Santanu Ray                                   | -                                   | -                                   | -   | -                                   | 0.00  | 1.45                                |
|   | Mr. Amit Kiran Deb                                | -                                   | -                                   | -   | -                                   | 2.40  | 1.95                                |
|   | Mr. Nirmalya Bhattacharyya                        | -                                   | -                                   | -   | -                                   | 2.50  | 0.25                                |
|   | Mr. Pramod Kumar Shah                             | -                                   | -                                   | -   | -                                   | 4.20  | 1.95                                |
|   | Mr. Deepak Singhal                                | -                                   | -                                   | -   | -                                   | 1.75  | -                                   |

(₹ in Lakhs)

|                                | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>18. Balance Outstanding</b> |                        |                        |                        |                        |                        |                        |
| (a) Trade and other Payable    |                        |                        |                        |                        |                        |                        |
| MPL                            | 283.62                 | 637.66                 | -                      | -                      | -                      | -                      |
| SCML                           | 5,353.94               | 7,748.18               | -                      | -                      | -                      | -                      |
| MTEPL                          | 604.98                 | 17.55                  | -                      | -                      | -                      | -                      |
| CPIL                           | -                      | -                      | 26.66                  | 11.84                  | -                      | -                      |
| SSPL                           | -                      | -                      | 1,040.51               | 13.07                  | -                      | -                      |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 48 | RELATED PARTY DISCLOSURES (Contd.)**

(₹ in Lakhs)

|   | As at 31st<br>March, 2023 | As at 31st<br>March, 2022 | As at 31st<br>March, 2023 | As at 31st<br>March, 2022 | As at 31st<br>March, 2023 | As at 31st<br>March, 2022 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Mrs.Yash Bala Bhajanka                          | -                         | -                         | -                         | -                         | -                         | 0.06                      |
| Rahul Chamaria (HUF)                            | -                         | -                         | -                         | -                         | -                         | 4.23                      |
| Rajendra Udyog (HUF)                            | -                         | -                         | -                         | -                         | -                         | 4.17                      |
| Mrs. Renu Chamaria                              | -                         | -                         | -                         | -                         | -                         | 12.08                     |
| (b) Advance :( Given)                           |                           |                           |                           |                           |                           |                           |
| PCWL  | -                         | -                         | -                         | 35.00                     | -                         | -                         |
| NE Hills Hydro                                  | -                         | 0.71                      | -                         | -                         | -                         | -                         |
| SSPL  | -                         | -                         | -                         | 3.03                      | -                         | -                         |
| SCIL  | -                         | 0.07                      | -                         | -                         | -                         | -                         |
| SCNEL   | -                         | 43.49                     | -                         | -                         | -                         | -                         |
| (c) Trade and other<br>Receivables              |                           |                           |                           |                           |                           |                           |
| SSPL  | -                         | -                         | -                         | 0.01                      | -                         | -                         |
| CPII  | -                         | -                         | -                         | 0.92                      | -                         | -                         |
| SCNEL   | 125.88                    | -                         | -                         | -                         | -                         | -                         |
| (d) Security deposit given                      |                           |                           |                           |                           |                           |                           |
| Rahul Chamaria HUF                              | -                         | -                         | -                         | -                         | 5.12                      | -                         |
| Rajendra Udyog (HUF)                            | -                         | -                         | -                         | -                         | 5.05                      | -                         |
| Mrs. Renu Chamaria                              | -                         | -                         | -                         | -                         | 14.65                     | -                         |
| (e) Loans :(Taken)                              |                           |                           |                           |                           |                           |                           |
| MTEPL   | 2,913.08                  | 7,218.08                  | -                         | -                         | -                         | -                         |
| (f) Loans :(Given)                              |                           |                           |                           |                           |                           |                           |
| SCNEL   | 2,052.28                  | 24.99                     | -                         | -                         | -                         | -                         |
| SCIL  | 183.51                    | -                         | -                         | -                         | -                         | -                         |
| (g) Guarantees Obtained                         |                           |                           |                           |                           |                           |                           |
| Mr. Sajjan Bhajanka                             | -                         | -                         | -                         | -                         | -                         | 9,400.00                  |
| Mr. Rajendra Chamaria                           | -                         | -                         | -                         | -                         | -                         | 9,400.00                  |
| Mr. Sanjay Agarwal                              | -                         | -                         | -                         | -                         | -                         | 9,400.00                  |
| Mr. Prem Kumar Bhajanka                         | -                         | -                         | -                         | -                         | -                         | 9,400.00                  |
| (h) Investments                                 |                           |                           |                           |                           |                           |                           |
| MTEPL   | 2,734.64                  | 2,734.64                  | -                         | -                         | -                         | -                         |
| SCML  | 17,414.67                 | 17,414.67                 | -                         | -                         | -                         | -                         |
| MPL   | 7,597.43                  | 7,597.43                  | -                         | -                         | -                         | -                         |
| NE Hills Hydro                                  | 7.00                      | 7.00                      | -                         | -                         | -                         | -                         |
| SCNEL ( including share<br>application monies ) | 1,203.00                  | 5.00                      | -                         | -                         | -                         | -                         |
| SCIL  | 3.00                      | 5.00                      | -                         | -                         | -                         | -                         |
| SCGCPL  | 20.03                     | 20.03                     | -                         | -                         | -                         | -                         |
| (i) Remuneration payable                        |                           |                           |                           |                           |                           |                           |
| Mr. Sajjan Bhajanka                             | -                         | -                         | -                         | -                         | 10.57                     | 10.57                     |
| Mr. Rajendra Chamaria                           | -                         | -                         | -                         | -                         | 16.32                     | -                         |
| Mr. Sanjay Agarwal                              | -                         | -                         | -                         | -                         | 4.97                      | 4.97                      |
| Mr. Prem Kumar Bhajanka                         | -                         | -                         | -                         | -                         | 20.23                     | 10.58                     |
| Mr. Pankaj Kejrewal                             | -                         | -                         | -                         | -                         | 10.73                     | 22.08                     |
| Mr. Rahul Chamaria                              | -                         | -                         | -                         | -                         | 3.24                      | -                         |
| Mr. Sachin Chamaria                             | -                         | -                         | -                         | -                         | 3.24                      | -                         |
| Mr. Manoj Agarwal                               | -                         | -                         | -                         | -                         | 5.87                      | 4.41                      |
| Mr. Debabrata Thakurta                          | -                         | -                         | -                         | -                         | 1.70                      | 1.67                      |

**Note :-** The above mentioned balances and transaction values include goods & service tax and other taxes, if any wherever applicable.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 48 | RELATED PARTY DISCLOSURES (Contd.)

#### Key management personnel compensation

(₹ in Lakhs)

| C | Particulars                  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|------------------------------|--|--|
|   | Short-term employee benefits | 1,525.19                               | 1343.99                                |
|   | Post-employment benefits     | -                                      | -                                      |
|   | Long-term employee benefits  | -                                      | -                                      |
|   | <b>Total compensation</b>    | <b>1,525.19</b>                        | <b>1,343.99</b>                        |

#### D Terms and Conditions of transactions with Related Parties:

- The sales and purchases transactions with related parties (including transactions related to property, plant and equipment) are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- The Company's inter corporate loan to its subsidiaries which is repayable on demand, for the current year the rate of interest is 6.60% to 9.20% (March 31, 2022 - 4.40% to 7.80% )
- For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- The remuneration of Directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.

- E** Post-employment benefits and other long-term benefits related to KMPs is being disclosed based on actual payment made on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together. Further, in view of applicability of such benefits only to CFO & CS of the Company, the amount of provision made on actuarial basis are not significant considering the nature of operation and size of the Company.

### NOTE: 49 | DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2023   | For the year ended<br>31st March, 2022   |
|---|--|--|
| (a) Gross amount required to be spent by the company during the year          | 395.62   | 468.85   |
| (b) Carry forward amount from previous year (shortfall)/ Surplus              | -  | -  |
| (c) Amount spent during the year on :   |  |  |
| (i) Construction/acquisition of any asset                                     | -  | -  |
| (ii) On purpose other than above  | 649.77   | 718.56   |
| (d) Short fall during the year  | -  | -  |
| (e) Payment made  | 649.77   | 718.56   |
| (f) Yet to be paid  | -  | -  |
| (g) The nature of CSR activities undertaken by the Company                    | Making available<br>Promoting<br>Healthcare,<br>Education, Sports<br>upliftment,<br>Animal Welfare,<br>Rural development<br>program, Flood/<br>Disaster Relief,<br>Livelihood & skill<br>building and<br>Environment<br>Sustainability | Making available<br>Promoting<br>Healthcare,<br>Education,<br>Rural development<br>program, ,<br>Livelihood & skill<br>building and<br>Environment<br>Sustainability |
| (h) Related Party transaction as per Ind AS 24 in relation to CSR expenditure | -  | -  |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 50 | 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:

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| (i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)   | 840.62                    | 493.14                    |
| (ii) Interest due on above  | 3.92                      | 0.81                      |
| <b>Total of (i) &amp; (ii)</b>  | <b>844.54</b>             | <b>493.95</b>             |
| (i) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.  | 14.91                     | 3.25                      |
| (ii) Amount paid to the suppliers beyond the respective appointed date.   | 246.51                    | 520.11                    |
| (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.   | 3.92                      | 0.81                      |
| (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. | -                         | -                         |

Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

### (b) 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 is no such customer which contribute 10 per cent or more of the Company's total revenue for the current year and previous year.

### (ii) Geographical information

The entire revenue of the Company has been generated by way of domestic sales.

| Sl No.       | Geographical Location       | (₹ in Lakhs)              |                           |
|--------------|-----------------------------|---------------------------|---------------------------|
|              |                             | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| (i)          | India (Country of Domicile) | 2,70,453.28               | 2,19,610.27               |
| (ii)         | Outside India               | -                         | -                         |
| <b>Total</b> |                             | <b>2,70,453.28</b>        | <b>2,19,610.27</b>        |

All the non-current assets (Property, plant and equipment, capital work-in-progress, intangible assets, right of use assets and other non-current assets) of the Company are within India.

- (c) Previous year's figures have been regrouped and /or rearranged wherever necessary to conform for current year classification, majorly done in disclosures of investment in bonds, sale of other products, liabilities of expenses, and subsidy/ incentive receivable. However, Such regrouping and /or reclassification has no impact on the Equity for the previous financial year.

### NOTE: 51 | FINANCIAL RATIOS

| Sl. No. | Ratio                                    | Numerator                                     | Denominator                           | FY 2022-23 | FY 2021-22 | % Variance |
|---------|--|---|---------------------------------------|------------|------------|------------|
| 1       | Current Ratio (in times)                 | Current Assets                                | Current Liabilities                   | 1.31       | 1.63       | -19.60%    |
| 2       | Debt- Equity Ratio (in times)^           | Total Debt (Long term + Short term borrowing) | Equity (Share Capital + Other equity) | 0.03       | 0.06       | -56.21%    |
| 3       | Debt Service Coverage Ratio (in times)\$ | Earning available for debt service            | Debt Service                          | 5.79       | 2.25       | 157.07%    |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 51 | FINANCIAL RATIOS (Contd.)

| Sl. No. | Ratio  | Numerator                            | Denominator   | FY 2022-23 | FY 2021-22 | % Variance |
|---------|--|--------------------------------------|---|------------|------------|------------|
| 4       | Return on Equity Ratio (%)                   | Net Profit                           | Average Equity Share Capital (incl. other equity) (5) | 11.87%     | 13.70%     | -13.32%    |
| 5       | Inventory Turnover Ratio (in times)          | Sales                                | Average Inventory (1)                                 | 19.79      | 22.01      | -10.10%    |
| 6       | Trade Receivables Turnover Ratio (in times)# | Sales                                | Average Trade receivable (2)                          | 23.13      | 16.19      | 42.84%     |
| 7       | Trade Payables Turnover Ratio (in times)     | Purchase                             | Average Trade Payable (3)                             | 5.30       | 5.00       | 6.11%      |
| 8       | Net Capital Turnover Ratio (in times)*       | Sales                                | Working capital= Current Assets- Current Liabilities  | 18.47      | 8.89       | 107.89%    |
| 9       | Net Profit Ratio (%) @                       | Net Profit                           | Sales   | 6.27%      | 8.38%      | -25.23%    |
| 10      | Return on Capital Employed (%)**             | Earning Before Interest & Tax (EBIT) | Capital Employed (4)                                  | 17.41%     | 13.28%     | 31.05%     |
| 11      | Return on Investment (%)                     | Gain/(loss) on investment            | Average Investment (6)                                | 7.32%      | 5.87%      | 24.57%     |

(1) 'Average Inventory -: (Opening Inventory+Closing Inventory)/2

(2) 'Average Trade Receivable -: (Opening Trade Receivable+Closing Trade Receivable)/2

(3) 'Average Trade Payable -: (Opening Trade Payable+Closing Trade Payable)/2

(4) 'Capital Employed -: (Equity (incl. other equity) + Current Borrowing + Non Current Borrowing

(5) 'Average Equity Share Capital -: (Opening Equity (incl. other equity) +Closing Equity (incl. other equity ))/2

(6) 'Average Investment -: (Opening investment + Closing investment)/2

#### Reasons for variances -:

^ Change in primarily on account of major repayment of Long term borrowings during the year.

\$ Increase on account of higher net profit achieved during the year and reduction of substantial borrowings

# Change on account of increase in sales by 23% and reduction in trade receivables

\* Ratio has improved on account of increase in sales by 23% and decrease in working capital by 40%, on account of higher payables.

@ decrease due to higher tax expense during the year

\*\* Ratio has improve on account of higher profit before interest and tax

### NOTE: 52 | OTHER STATUTORY INFORMATION

- i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iv) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 52 | OTHER STATUTORY INFORMATION (Contd.)**

- v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017
- vi) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vii) Struck off Company: Transaction with the struck off company under section 248 of the Companies Act, 2013 is as under -:

(₹ in Lakhs)

| Name of Company                      | Nature of Transactions | Transactions during the year ended 31st March, 2023 | Balance Outstanding as at 31st March, 2023 | Relationship with the Company |
|--------------------------------------|------------------------|---|--|-------------------------------|
| Deori's Mercantile Private Limited   | Payables               | 236.78  | 14.73                                      | Vendor (non - related)        |
| Digaru Construction Private Limited  | Payables               | 8.00  | -  | Vendor (non - related)        |
| Ramdhenu Engineering Private Limited | Payables               | 8.19  | -  | Vendor (non - related)        |
| Digaru Construction Private Limited  | Receivables            | 0.07  | -  | Customer (non - related)      |

(₹ in Lakhs)

| Name of Company                      | Nature of Transactions | Transactions during the year ended 31st March, 2022 | Balance Outstanding as at 31st March, 2022 | Relationship with the Company |
|--------------------------------------|------------------------|---|--|-------------------------------|
| Digaru Construction Private Limited  | Payables               | 37.57   | 8.43                                       | Vendor (non - related)        |
| Deori's Mercantile Private Limited   | Payables               | 583.16  | 65.51                                      | Vendor (non - related)        |
| Ramdhenu Engineering Private Limited | Payables               | 1.01  | -  | Vendor (non - related)        |

**NOTE: 53 | BORROWING**

The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

(₹ in Lakhs)

| Name of the Bank   | Quarter ended | Particulars      | Amount disclosed as per quarterly return/ statements ) | Amount as per books of account | Differences | Reason for variance   |
|--|---------------|------------------|--|--------------------------------|-------------|---|
| State Bank of India, Indian Bank, Kotak Mahindra Bank and DBS Bank Limited | March'23      | Trade Receivable | 11,345.10  | 9,755.83                       | 1,589.28    | The differences are because the statements filed with the lenders are based on financial statements prepared on a provisional basis and also due to audit/ accounting |
|  |               | Inventory        | 14,740.59  | 16,826.19                      | (2,085.61)  |   |
|  |               | Trade Payable    | 14,752.72  | 27,307.53                      | (12,554.81) |   |
|  | December'22   | Trade Receivable | 12,412.39  | 16,161.12                      | (3,748.73)  |   |
|  |               | Inventory        | 14,095.01  | 13,459.05                      | 635.97      |   |
|  |               | Trade Payable    | 6,494.85   | 19,870.00                      | (13,375.15) |   |
|  | September'22  | Trade Receivable | 11,525.38  | 13,807.41                      | (2,282.03)  |   |
|  |               | Inventory        | 10,392.98  | 9,398.31                       | 994.67      |   |
|  |               | Trade Payable    | 7,353.03   | 19,918.00                      | (12,564.97) |   |
|  | June 22       | Trade Receivable | 10,144.54  | 13,640.16                      | (3,495.62)  |   |
|  |               | Inventory        | 12,992.56  | 12,660.71                      | 331.85      |   |
|  |               | Trade Payable    | 10,657.99  | 20,568.84                      | (9,910.85)  |   |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 53 | BORROWING (Contd.)

|                  |               |                  |   |                                |              | (₹ in Lakhs)   |
|------------------|---------------|------------------|---|--------------------------------|--------------|--|
| Name of the Bank | Quarter ended | Particulars      | Amount disclosed as per quarterly return/statements ) | Amount as per books of account | Differences  | Reason for variance  |
|                  | March'22      | Trade Receivable | 12,052.14   | 12,877.82                      | (825.67 )    | adjustment entries carried out subsequently along with certain debtors, inter-company(group) balances were not considered by the Banks |
|                  |               | Inventory        | 10,034.75   | 9,628.12                       | 406.64       |  |
|                  |               | Trade Payable    | 9,476.84  | 22,316.61                      | (12,839.77 ) |  |
|                  | December'21   | Trade Receivable | 11,703.77   | 16,666.22                      | (4,962.45 )  |  |
|                  |               | Inventory        | 12,910.81   | 12,310.52                      | 600.29       |  |
|                  |               | Trade Payable    | 5,061.72  | 14,533.86                      | (9,472.14 )  |  |
|                  | September'21  | Trade Receivable | 8,721.03  | 11,669.48                      | (2,948.45 )  |  |
|                  |               | Inventory        | 13,464.35   | 13,212.10                      | 252.24       |  |
|                  |               | Trade Payable    | 4,961.75  | 11,167.55                      | (6,205.80 )  |  |
|                  | June 21       | Trade Receivable | 8,028.80  | 12,089.55                      | (4,060.74 )  |  |
|                  |               | Inventory        | 8,451.23  | 10,900.14                      | (2,448.91 )  |  |
|                  |               | Trade Payable    | 3,760.67  | 14,366.19                      | (10,605.53 ) |  |

**NOTE: 54** | These financial statements have been approved by the Board of Directors of the Company on May 19, 2023 for issue to the shareholders of the Company for the adoption.

As per our report of even date

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**

Partner  
Membership No. 059147

Place : Kolkata

Date : 19th May, 2023

**Manoj Agarwal**

Chief Financial Officer

**Debabrata Thakurta**

Company Secretary

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

**Sajjan Bhajanka**

Chairman, Managing Director & CEO  
DIN:00246043

**Rajendra Chamaria**

Vice-Chairman & Managing Director  
DIN:00246171

# 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** ("herein 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 March 31, 2023, the Consolidated Statement of Profit and Loss (including the statement of Other Comprehensive Income), Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries referred to in the other matter paragraph section below, 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 Standard) Rules 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs

(financial position) of the Group as at 31st March, 2023, and their consolidated profit (financial performance including other comprehensive income) and its consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## 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 for the financial year ended March 31, 2023. 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 as Key audit matters to be communicated in our report.

| Key audit matters   | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Revenue recognition - Discounts, incentives, rebates, etc.</b></p> <p><b>See Notes 2(C)(xxiv) and 29 to Consolidated Financial Statements</b></p> <ul style="list-style-type: none"> <li>Revenue of group primarily comprises of revenue from sale of cement. Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the sales.</li> <li>The Holding Company's presence across different marketing regions within the country and the competitive business environment makes the assessment of various types of discounts, incentives, and rebates complex and judgmental.</li> <li>Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives, and rebates.</li> <li>Holding Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue by influencing the computation of rebates and discounts.</li> </ul> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>We have assessed the Holding Company's accounting policies relating to revenue, discounts, incentives and rebates by comparing with applicable accounting standards.</li> <li>We have assessed the design and implementation and tested the operating effectiveness of Holding Company's internal controls over the provisions, approvals and disbursements of discounts, incentives and rebates.</li> <li>We have assessed the Holding Company's computations for accrual of discounts, incentives and rebates, on a sample basis, and compared the accruals made with the approved schemes and underlying documents.</li> </ul> |

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

| <b>Key audit matters</b>  | <b>How our audit addressed the key audit matter</b>  |
|---|--|
| <ul style="list-style-type: none"> <li>Considering the materiality of amounts involved and complexity and judgement required to assess the provision for discounts, incentives and rebates, this is a key audit matter</li> </ul> | <ul style="list-style-type: none"> <li>We have verified, on a sample basis, the underlying documentation for discounts, incentives and rebates recorded and disbursed during the year.</li> <li>We have compared the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to assess the current year accruals.</li> <li>We have examined the manual journals posted to discounts, rebates and incentives to identify unusual or irregular items.</li> </ul> |

**Recognition and measurement of deferred taxes****See Notes 2(C)(xxvi) and 6 to Consolidated Financial Statements**

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>The Group has recognized MAT credit entitlement because of Tax holiday period in earlier years. As on March 31, 2023, the group is carrying MAT credit entitlement of ₹ 28,311.15 Lakhs. Realization of this credit is subject to taxable profits in the future coming years.</li> <li>The recognition and measurement of deferred tax assets requires determination of deductible temporary differences and carry forward of unused tax credits that are recoverable in future periods.</li> <li>Assessment of recoverability of deferred tax assets is done by the management of the respective companies included in the group at the close of each financial year taking into account forecast of future taxable profits.</li> <li>We have considered the assessment of deferred tax assets as a key matter due to the importance of respective company's management's estimation and judgment and the materiality of amounts.</li> </ul> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax considering prevailing tax laws and applicable financial reporting standards.</li> <li>Audit procedure also includes verification of management assessment regarding the future taxable profits.</li> <li>Furthermore, we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</li> </ul> |
|--|---|

**Litigation, Claims and Contingent Liabilities****See Notes 2(C)(xxviii) and 43 to Consolidated Financial Statements**

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>The Group operates in various States within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. Due to a complex regulatory environment, there is an inherent risk of litigations and claims.</li> <li>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.</li> <li>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.</li> <li>Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted negotiation or litigation.</li> </ul> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of management's process and evaluated design and tested the operating effectiveness of management's key internal controls over assessment of litigations to ensure the accounting and disclosures are in compliance with the requirements of applicable accounting standards;</li> <li>We have gained an understanding of outstanding litigations against the Group from the Group's inhouse legal department and other key managerial personnel who have knowledge of these matters.</li> <li>We have read the correspondence between the Group and the various indirect tax/legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters.</li> <li>We have tested the completeness of the litigations and claims by examining, on a sample basis, the Group's legal expenses and minutes of the board meetings.</li> </ul> |
|--|---|

## INDEPENDENT AUDITOR'S REPORT (Contd.)

| Key audit matters   | How our audit addressed the key audit matter  |
|---|---|
| <ul style="list-style-type: none"> <li>• These estimates and outcome could change significantly over time as new facts emerge and each legal case progresses.</li> <li>• As on March 31, 2023, the Company has disclosed significant pending legal cases and other material contingent liabilities [Refer Note 43 to the Consolidated financial statements]</li> <li>• Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter</li> </ul> | <ul style="list-style-type: none"> <li>• We have assessed the adequacy of the Group's disclosures in respect of contingent liabilities for indirect tax and legal matters.</li> </ul> |

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Director Report, Management Discussion and Analysis Report, Corporate Governance Report and Business Responsibility and Sustainability Report but does not include the Consolidated Financial Statements and our auditors' 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 on the other information that we obtained prior to the date of this auditor's report, 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.

### MANAGEMENT'S RESPONSIBILITY 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 (including other comprehensive income), Consolidated Cash Flows and Consolidated Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statement 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 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 Group 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 the Board of Directors 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 companies included in the Group are also responsible for overseeing the Group's financial reporting process.

### AUDITORS' RESPONSIBILITY 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 auditors' 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 financial 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 Holding Company has adequate internal financial controls with reference to Consolidated 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 and Board of Directors;
- 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 group'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the

entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statement/ financial information of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company 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 of the Holding Company 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 of the Holding Company, 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.

### OTHER MATTERS

- I. We did not audit the Financial Statements/ financial information of three subsidiaries whose Financial Statements/ financial information reflect total assets and net assets of ₹ 4,808.46 Lakhs and ₹ 2,045.00 Lakhs respectively as at March 31, 2023, total revenues



## INDEPENDENT AUDITOR'S REPORT (Contd.)

of Nil, total loss after tax of ₹ 0.18 Lakhs and total comprehensive income of ₹ 1.44 Lakhs for the year ended on that date and net cash inflow of ₹ 161.47 Lakhs for the year ended March 31, 2023 as considered in the Consolidated Financial Statements. 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 is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraphs above.

- II. We did not audit the Financial Statements/ financial information of one foreign subsidiary, whose Financial Statements/ financial information reflect total assets and net assets of ₹ 21.84 Lakhs and ₹ 19.41 Lakhs respectively as at March 31, 2023, total revenue of Nil, total loss after tax of ₹ 1.39 Lakhs and total comprehensive income of ₹ (1.39 Lakhs) for the year ended on that date and net cash outflows of ₹ 1.01 Lakhs for the year ended March 31, 2023 as considered in the Consolidated Financial Statements. This Financial Statements/ financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the Financial Statements of this subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. The Holding company's management has also carried out Fit for consolidation adjustment in the Financial Statements of this subsidiary. We have reviewed these conversion adjustments made by the Holding company's management. Our conclusion in so far as it relates to the balances and affairs of such 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 reviewed by us.
- III. The comparative financial statements/ financial information of the company for the year ended 31st March 2022 are based on the previously issued Consolidated Financial Statements prepared in accordance with the Ind AS that were audited by the erstwhile auditors. The audit report dated 17th May, 2022 on the audited Consolidated Financial Statement of the Company for the year ended 31st March 2022 issued by erstwhile auditors expressed an unmodified opinion. We have placed reliance on the above report of the predecessor auditor.

- IV. 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.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, based on our audit and on the consideration of report of the other auditors on the Separate Financial Statements of the subsidiary companies incorporated in India, as noted in other matter paragraph, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3(xxii) of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid 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 auditor;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended from time to time;
  - (e) On the basis of the written representation received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and on consideration of the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of Group Companies are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (f) With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" which is based on the auditor's report of Holding Company and Subsidiaries incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to the Consolidated Financial Statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer Note 43 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.
  - iv. a. The respective management of the Holding Company and its subsidiary companies incorporated in India whose Financial Statements have been audited under the Act, have represented that, to the best of it's knowledge and belief, as disclosed in the note 50(iii) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Companies incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or by such Subsidiary Companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The respective management of the Holding Company and its subsidiary companies incorporated in India whose Financial Statements have been audited under the Act, have represented that, to the best of it's knowledge and belief, as disclosed in the note 50 (iv) to the Consolidated Financial Statements, no funds have been received by the Holding Company or its Subsidiary Companies incorporated in India from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such Subsidiary Companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on the audit procedures performed by us and that performed by the auditors of subsidiary companies incorporated in India that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
  - v. The Holding Company or any of its Subsidiary Companies have not declared any dividend in the previous year which has been paid in the current year. Further, no dividend has been declared in the current year.

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

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its Subsidiary Companies incorporated

in India with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Kolkata  
Date: 19th May 2023

**For Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**(Gopal Jain)**  
(Partner)  
Membership No. 059147  
UDIN: 23059147BGYQAJ7872

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**(Referred to in paragraph 1 with the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date in respect to Statutory Audit of Star Cement Limited for the year ended March 31, 2023)**

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Company:

| Sr. No. | Name                           | CIN                   | Holding Company / Subsidiary Company | Clause number of the CARO report which is qualified or adverse |
|---------|--------------------------------|-----------------------|--------------------------------------|--|
| 1.      | Star Cement Limited            | L26942ML2001PLC006663 | Holding Company                      | II(b)  |
| 2.      | Star Cement Meghalaya Limited  | U63090ML2005PLC008011 | Subsidiary Company                   | II(b)  |
| 3.      | Meghalaya Power Limited        | U40108ML2002PLC006921 | Subsidiary Company                   | I(c)   |
| 4.      | Star Cement North East Limited | U26999AS2021PLC021391 | Subsidiary Company                   | I(b)   |
| 5.      | Star Cement India Limited      | U26999ML2021PLC013780 | Subsidiary Company                   | I(b)   |

**For Singhi & Co.**

Chartered Accountants  
Firm’s Registration No. 302049E

**(Gopal Jain)**

Partner

Membership No.: 059147  
UDIN: 23059147BGYQAJ7872

Place: Kolkata

Date: 19th May 2023

# ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the consolidated financial statements of Star Cement Limited (hereinafter referred to as “the Holding Company”) as of that date.

## MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and Subsidiary Companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements criteria established by the Holding 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 the Holding 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.

## AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 the consolidated 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 the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the 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 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 internal financial controls system with reference to the consolidated financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

A company’s internal financial control with reference to the consolidated 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 the consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

not be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated 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, to the best of our information and according to the explanation given to us and based on the consideration of other auditors referred to in the other matters paragraph below, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control with reference to the consolidated financial statements criteria established by the Holding 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.

### 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 Consolidated Financial Statements in so far as it relates to three subsidiaries incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matter.

**For Singhi & Co.**

Chartered Accountants  
Firm's Registration No. 302049E

**(Gopal Jain)**

Partner  
Membership No.: 059147  
UDIN: 23059147BGYQAJ7872

Place: Kolkata  
Date: 19th May 2023



# CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2023

(₹ in Lakhs)

| Particulars  | Note No. | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|----------|---------------------------|---------------------------|
| <b>A. ASSETS</b>   |          |                           |                           |
| <b>Non-current assets</b>  |          |                           |                           |
| (a) Property, plant and equipment  | 3.1      | 87,325.95                 | 90,829.13                 |
| (b) Capital work-in-progress   | 3.2      | 55,062.00                 | 10,454.95                 |
| (c) Right-of-use assets  | 3.3      | 1,370.07                  | 1,491.87                  |
| (d) Intangible assets  | 3.4      | 398.12                    | 26.25                     |
| (e) Intangible assets under development  | 3.5      | -                         | 450.83                    |
| (f) Financial assets   |          |                           |                           |
| (i) Investments  | 4        | 17,254.93                 | 16,726.75                 |
| (ii) Other financial assets  | 5        | 5,325.71                  | 12,282.40                 |
| (g) Deferred tax assets (net)  | 6        | 28,903.96                 | 35,392.01                 |
| (h) Non-current tax assets (net)   | 7        | 1,057.31                  | 1,107.90                  |
| (i) Other non-current assets   | 8        | 16,699.32                 | 9,298.57                  |
| <b>Total non-current assets</b>  |          | <b>2,13,397.37</b>        | <b>1,78,060.66</b>        |
| <b>Current assets</b>  |          |                           |                           |
| (a) Inventories  | 9        | 37,411.16                 | 19,529.52                 |
| (b) Financial assets   |          |                           |                           |
| (i) Trade receivables  | 10       | 10,469.11                 | 12,874.92                 |
| (ii) Cash and cash equivalents   | 11       | 12,162.23                 | 807.55                    |
| (iii) Bank balances (other than note (ii) above)   | 12       | 19,012.06                 | 37,659.17                 |
| (iv) Loans   | 13       | 1,730.70                  | 3,409.77                  |
| (v) Other financial assets   | 14       | 4,105.40                  | 13,276.61                 |
| (c) Other current assets   | 15       | 14,851.97                 | 8,891.26                  |
| <b>Total current assets</b>  |          | <b>99,742.63</b>          | <b>96,448.80</b>          |
| <b>Total assets</b>  |          | <b>3,13,140.00</b>        | <b>2,74,509.46</b>        |
| <b>B. EQUITY AND LIABILITIES</b>   |          |                           |                           |
| <b>Equity</b>  |          |                           |                           |
| (a) Equity Share capital   | 16       | 4,041.80                  | 4,041.80                  |
| (b) Other Equity   | 17       | 2,37,595.76               | 2,12,801.60               |
| <b>Total equity</b>  |          | <b>2,41,637.56</b>        | <b>2,16,843.40</b>        |
| <b>LIABILITIES</b>   |          |                           |                           |
| <b>Non-current liabilities</b>   |          |                           |                           |
| (a) Financial liabilities  |          |                           |                           |
| (i) Borrowings   | 18A      | -                         | -                         |
| (ii) Lease liabilities   | 19       | 483.84                    | 800.82                    |
| (iii) Other financial liabilities  | 20       | 16,669.37                 | 15,573.54                 |
| (b) Provisions   | 21       | 772.53                    | 479.33                    |
| (c) Other non current liabilities  | 22       | 727.18                    | 877.13                    |
| <b>Total non-current liabilities</b>   |          | <b>18,652.92</b>          | <b>17,730.82</b>          |
| <b>Current Liabilities</b>   |          |                           |                           |
| (a) Financial liabilities  |          |                           |                           |
| (i) Borrowings   | 18B      | 2,610.35                  | 537.78                    |
| (ii) Lease liabilities   | 23       | 440.86                    | 226.63                    |
| (iii) Trade payables   | 24       |                           |                           |
| (a) Total outstanding dues of micro enterprises and small enterprises                          |          | 942.31                    | 498.25                    |
| (b) Total outstanding dues of trade payable other than micro enterprises and small enterprises |          | 27,261.93                 | 20,747.10                 |
| (iv) Other financial liabilities   | 25       | 13,639.38                 | 8,662.58                  |
| (b) Other current liabilities  | 26       | 7,647.69                  | 8,887.17                  |
| (c) Provisions   | 27       | 197.58                    | 178.86                    |
| (d) Current Tax Liabilities (net)  | 28       | 109.42                    | 196.87                    |
| <b>Total current liabilities</b>   |          | <b>52,849.52</b>          | <b>39,935.24</b>          |
| <b>Total liabilities</b>   |          | <b>71,502.44</b>          | <b>57,666.06</b>          |
| <b>Total equity and liabilities</b>  |          | <b>3,13,140.00</b>        | <b>2,74,509.46</b>        |
| Significant accounting policies  | 1 & 2    |                           |                           |

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

As per our report of even date

For and on behalf of Board of Directors

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No.:302049E

**Manoj Agarwal**

Chief Financial Officer

**Sajjan Bhajanka**

Chairman, Managing Director & CEO  
DIN:00246043

**(Gopal Jain)**

Partner  
Membership No. 059147

**Debabrata Thakurta**

Company Secretary

**Rajendra Chamaria**

Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date : 19th May, 2023

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs except otherwise stated)

| Particulars  | Note No | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|--|---------|-------------------------------------|-------------------------------------|
| <b>1) INCOME</b>   |         |                                     |                                     |
| a) Revenue from operations                                       | 29      | 2,70,484.68                         | 2,22,181.90                         |
| b) Other income  | 30      | 5,208.27                            | 3,337.17                            |
| <b>Total Income</b>  |         | <b>2,75,692.95</b>                  | <b>2,25,519.07</b>                  |
| <b>2) EXPENSES</b>   |         |                                     |                                     |
| a) Cost of materials consumed                                    | 31      | 64,358.96                           | 54,543.39                           |
| b) Changes in inventories of finished goods and work-in-progress | 32      | (1,786.32)                          | 2,854.13                            |
| c) Employee benefits expense                                     | 33      | 19,587.32                           | 15,935.01                           |
| d) Finance costs   | 34      | 969.50                              | 1,334.03                            |
| e) Depreciation and amortisation expense                         | 35      | 13,111.22                           | 12,162.95                           |
| f) Power and Fuel expense  |         | 56,973.49                           | 41,689.99                           |
| g) Carriage Outward expense                                      |         | 50,673.91                           | 42,707.47                           |
| h) Other expenses  | 36      | 35,098.20                           | 30,219.57                           |
| i) Captive Consumption of Cement                                 |         | (1,260.08)                          | (292.82)                            |
| <b>Total expenses</b>  |         | <b>2,37,726.20</b>                  | <b>2,01,153.72</b>                  |
| <b>3) Profit before exceptional items and tax (1-2)</b>          |         | <b>37,966.75</b>                    | <b>24,365.35</b>                    |
| 4) Exceptional Items   |         | -                                   | -                                   |
| <b>5) Profit before tax (3-4)</b>                                |         | <b>37,966.75</b>                    | <b>24,365.35</b>                    |
| <b>6) Tax expenses</b>   | 37      |                                     |                                     |
| - Current tax  |         | 6,721.57                            | 3,951.72                            |
| - Deferred tax   |         | 7,244.51                            | (4,261.39)                          |
| - Tax for earlier years  |         | (759.74)                            | (2.46)                              |
| <b>Total tax expenses</b>  |         | <b>13,206.34</b>                    | <b>(312.13)</b>                     |
| <b>7) Profit for the year (5-6)</b>                              |         | <b>24,760.41</b>                    | <b>24,677.48</b>                    |
| <b>8) Other comprehensive income</b>                             |         |                                     |                                     |
| Items that will not be reclassified to profit or loss:           |         |                                     |                                     |
| Remeasurement of defined benefit plan                            | 38A     | 48.02                               | (25.46)                             |
| Equity instruments through Other Comprehensive Income            |         | 1.62                                | 3.51                                |
| Income tax related to above                                      |         | (15.88)                             | 7.78                                |
| <b>Other comprehensive income for the year</b>                   |         | <b>33.76</b>                        | <b>(14.17)</b>                      |
| <b>9) Total comprehensive income for the year (7+8)</b>          |         | <b>24,794.17</b>                    | <b>24,663.31</b>                    |
| <b>10) Earnings per equity share (face value of ₹ 1 each)</b>    | 38B     |                                     |                                     |
| Basic (in ₹)   |         | 6.13                                | 6.04                                |
| Diluted (in ₹)   |         | 6.13                                | 6.04                                |
| Significant accounting policies                                  | 1 & 2   |                                     |                                     |

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

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

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

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

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

Place : Kolkata  
Date : 19th May, 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars   | Amount          |
|---|-----------------|
| <b>As at 1st April, 2021</b>                              | <b>4,124.29</b> |
| Changes during the year:                                  |                 |
| Equity shares extinguished on buy back - Refer Note 16(b) | (82.49)         |
| <b>As at 31st March, 2022</b>                             | <b>4,041.80</b> |
| Changes during the year                                   | -               |
| <b>As at 31st March, 2023</b>                             | <b>4,041.80</b> |

## B. OTHER EQUITY

(₹ in Lakhs)

| Particulars                                    | Reserve and surplus                |                 |                 |                    | Other Comprehensive Income                           | Total              |
|--|------------------------------------|-----------------|-----------------|--------------------|--|--------------------|
|  | Capital Redemption Reserve Account | Capital reserve | General reserve | Retained Earnings  | Equity instrument through Other Comprehensive Income |                    |
| <b>Balance as at 1st April, 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> |
| Profit for the year                            | -                                  | -               | -               | 24,677.48          | -  | 24,677.48          |
| Other comprehensive income (net of tax)        | -                                  | -               | -               | (17.68)            | 3.51   | (14.17)            |
| <b>Total comprehensive income for the year</b> | <b>-</b>                           | <b>-</b>        | <b>-</b>        | <b>24,659.80</b>   | <b>3.51</b>  | <b>24,663.31</b>   |
| Buyback of Equity Shares during the year       | 82.49                              | -               | -               | (15,236.04)        | -  | (15,153.55)        |
| <b>Balance as at 31st March, 2022</b>          | <b>150.49</b>                      | <b>3,631.19</b> | <b>3,187.83</b> | <b>2,05,803.74</b> | <b>28.35</b>   | <b>2,12,801.60</b> |
| Profit for the year                            | -                                  | -               | -               | 24,760.41          | -  | 24,760.41          |
| Other comprehensive income (net of tax)        | -                                  | -               | -               | 32.13              | 1.62   | 33.75              |
| <b>Total comprehensive income for the year</b> | <b>-</b>                           | <b>-</b>        | <b>-</b>        | <b>24,792.54</b>   | <b>1.62</b>  | <b>24,794.16</b>   |
| <b>Balance as at 31st March, 2023</b>          | <b>150.49</b>                      | <b>3,631.19</b> | <b>3,187.83</b> | <b>2,30,596.28</b> | <b>29.97</b>   | <b>2,37,595.76</b> |

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

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place : Kolkata  
Date : 19th May, 2023

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

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

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

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

## CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                     |  |  |
| Profit before tax  | 37,966.75                              | 24,365.35                              |
| <b>Adjustments for :</b>   |  |  |
| Depreciation and amortisation expenses   | 12,894.59                              | 11,904.39                              |
| Amortisation of right-of-use- assets   | 216.63                                 | 258.56                                 |
| Liability Written Back   | 550.29                                 | -                                      |
| (Profit)/ Loss on Sale of Property, Plant and Equipment                          | (1.83)                                 | 4.44                                   |
| Interest Income  | (4,334.79)                             | (3,312.38)                             |
| Finance Costs  | 969.50                                 | 1,334.03                               |
| Fair Valuation (gain)/ Loss on investments                                       | (6.76)                                 | (11.28)                                |
| Allowance for doubtful trade receivables   | 204.73                                 | 16.47                                  |
| <b>Operating Profit before working Capital changes</b>                           | <b>48,459.11</b>                       | <b>34,559.58</b>                       |
| <b>Adjustments for :</b>   |  |  |
| (Increase)/Decrease in Trade receivables   | 2,201.08                               | 282.02                                 |
| (Increase)/Decrease in Inventories   | (17,881.64)                            | 3,938.52                               |
| (Increase)/Decrease in Loans   | 1,679.07                               | 820.09                                 |
| (Increase)/ Decrease in Other assets   | 2,808.42                               | (3,775.26)                             |
| Increase/(Decrease ) in trade and other payables                                 | 11,019.91                              | 1,611.31                               |
| Increase/(Decrease ) in Other Liabilities and Provisions                         | (3,992.04)                             | 7,771.10                               |
| <b>Cash Generated from Operations</b>  | <b>44,293.92</b>                       | <b>45,207.36</b>                       |
| Income Tax Paid (Net of Refunds)   | (6,771.02)                             | (3,500.00)                             |
| <b>Net Cashflow from Operating Activities</b>                                    | <b>37,522.90</b>                       | <b>41,707.36</b>                       |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                     |  |  |
| Purchase of Property, Plant and Equipment and intangible assets (including CWIP) | (57,185.81)                            | (19,943.84)                            |
| Sale of Property, Plant and Equipment  | 241.40                                 | 208.23                                 |
| Redemption/(Investments) in Fixed Deposits/Margin Money (Net)                    | 18,647.11                              | 3,964.25                               |
| (Purchase)/ sale of Investments  | 6,468.82                               | (16,190.00)                            |
| Interest received  | 4,659.93                               | 3,076.74                               |
| <b>Net Cash used in Investing Activities</b>                                     | <b>(27,168.55)</b>                     | <b>(28,884.62)</b>                     |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                     |  |  |
| Buy back of Equity Shares  | -                                      | (15,236.04)                            |
| Repayment of Long Term Borrowings  | -                                      | (18.74)                                |
| Proceeds from /(Repayment of) Short Term Borrowings                              | 2,072.57                               | (974.68)                               |
| Interest paid  | (969.50)                               | (1,286.67)                             |
| Payment of lease liability   | (102.75)                               | (47.36)                                |
| <b>Net Cash used in Financing Activities</b>                                     | <b>1,000.32</b>                        | <b>(17,563.49)</b>                     |
| <b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>             | <b>11,354.68</b>                       | <b>(4,740.75)</b>                      |
| Cash and Cash Equivalents at the beginning of the year                           | 807.55                                 | 5,548.30                               |
| <b>Cash and Cash Equivalents at the end of the year</b>                          | <b>12,162.23</b>                       | <b>807.55</b>                          |

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

Notes :

- The above Consolidated Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7).
- For the purpose of Consolidated Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

| Particulars        | (₹ in Lakhs)             |                          |
|--------------------|--------------------------|--------------------------|
|                    | As at<br>31st March 2023 | As at<br>31st March 2022 |
| Cash on hand       | 85.69                    | 77.01                    |
| Cheques on hand    | 123.26                   | 79.25                    |
| Balance with Banks | 11,953.28                | 651.29                   |
|                    | <b>12,162.23</b>         | <b>807.55</b>            |

- Figures for the previous years have been regrouped wherever considered necessary.
- Income tax paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- As per Ind AS 7, the Group is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Group did not have any material impact on the Consolidated Statement of Cash Flows therefore reconciliation has not been given.

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

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place : Kolkata  
Date : 19th May, 2023

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2023

### NOTE 1 | CORPORATE INFORMATION

Star Cement Limited ("the Company" or "the Parent") is a public limited company domiciled in India and incorporated on 2nd November, 2001 as per the provisions of the Companies Act. The Parent and its subsidiaries (together referred to as "the Group") is engaged in manufacturer of Cement Clinker & Cement. The manufacturing units are located at Lumshnong-Meghalaya, Guwahati-Assam and Siliguri-West Bengal. The Group is selling its products across northeastern and eastern states of India.

### NOTE 2 | STATEMENT OF COMPLIANCE, NEW ACCOUNTING PRONOUNCEMENT AND SIGNIFICANT ACCOUNTING POLICIES

#### A. Statement of Compliance

Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

These Consolidated Financial Statements were approved for issue in accordance with the resolution of the Board of Directors on 19th May, 2023.

#### B. New Accounting Pronouncements

##### (i) Adoption of New Accounting Pronouncements

##### (a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

##### (b) Ind AS 16 – Proceeds Before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property plant and equipment.

##### (c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs

that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

##### (d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid the borrower includes amounts paid by the borrower to or on behalf of the lender, and fees received include amounts paid by the lender to or on behalf of the borrower.

These amendments are effective from 1st April, 2022 and the effect of these amendments has been incorporated in these Consolidated Financial Statements to the extent applicable to the Group. However, these amendments do not have significant impact on the Consolidate Financial Statements of the Group.

##### (ii) Application of New Amendments Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2023, as below:

##### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

##### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

##### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

The Group does not expect the above amendments to have any significant impact in its Consolidated Financial Statements.

### C. Significant Accounting Policies

#### (i) Basis of Preparation & Presentation

The Accounting Policies are consistently followed by the Group and changes in accounting policy are separately disclosed.

##### (a) Historical Cost Convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Net defined benefit asset/liability which is measured at Fair value of plan assets less present value of defined benefit obligations
- Investment in bonds measured at amortised cost
- Investment in equity shares is measured at fair value
- Certain financial assets and financial liabilities that are measured at fair value / amortised cost.

##### (b) 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) held primarily for the purpose of trading and other criteria set out in the Schedule III to the Act.

##### (c) Rounding off amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off in decimals to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

#### (ii) Basis of consolidation

Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the consolidated financial statements is presented in Note 49.

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company i.e., its subsidiaries. Control is achieved where the Company:

- has power over the investee.
- is exposed to, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### Consolidation procedure

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### (iii) Use of Estimates

The preparation of Consolidated Financial Statements is in conformity with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 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 Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated 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:

#### a) Classification of legal matters and tax litigation

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

#### b) Defined benefit obligations

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

#### c) Useful life of property, plant and equipment

The determination of depreciation and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### d) **Leases Ind AS 116**

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the implicit rate in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

### e) **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model / Adjusted Net Assets Value method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### f) **Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilised. The Group reviews at each Balance Sheet date the carrying amount of deferred tax assets.

### (iv) **Foreign Currency Transactions and Balances**

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Group's consolidated Financial Statements are presented in Indian Rupees which is the Company's functional 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.

### (v) **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.

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### (vi) Capital Work in Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

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, prior to commencement of commercial production/ completion of project are capitalised.

### (vii) 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 except in case of following:

- Corporate Office building, which is owned by the Company and depreciated using the straight-line method over the period of lease of land on which it is constructed.
- Mines development expenses incurred on free hold mining land are depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.
- Railway sidings the ownership of which vests with the Railway authorities are depreciated over the period of agreement with Railway Authorities.

Depreciation is provided on components that have homogenous useful lives. 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.

### (viii) 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.

### (ix) 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.

### (x) Amortisation of intangible assets

The amortisation 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.

### (xi) 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.

### (xii) 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

### **(xiii) 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 Consolidated Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Consolidated Balance Sheet as deferred income, are recognised to the Consolidated Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

### **(xiv) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### (xv) Business combinations and Goodwill

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination is accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### (xvi) 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.

#### 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

### (xvii) Trade receivables

Trade receivables that do not contain a significant financing component 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.

### (xviii) Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated 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.

### (xix) 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.

#### 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.

### (xx) 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.

### (xxi) 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.

### (xxii) Trade and other payables

These amounts represent liabilities for goods and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

### (xxiii) 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 Group or the counterparty.

### (xxiv) Revenue Recognition

#### (A) Sale of Goods

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations in sales contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net

of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services.

The Group does not expect to have any contracts where the period between transfer of promised goods or services to the customer and payment by customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### (B) Sale of Power

Revenue from contracts with customers is recognised on supply of power to the customers at an amount that reflects the consideration to which the Group is entitled as per the contract executed with respective customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of power.

Sale of power is billed monthly with specified due dates and accounted for at rates agreed with respective customers.

#### Contract balances

##### Trade Receivables and Contract Assets

A trade receivable is recognised when the products are delivered to a customer and consideration becomes unconditional. Contract assets are recognised when the group has a right to receive consideration that is conditional other than the passage of time.

##### Contract Liabilities

Contract liabilities is a Group's obligation to transfer goods or services to a customer which the entity has already received consideration. Contract liabilities are recognised as revenue when the group performs under the contract.

#### (C) Other Income

Interest income is recognised using the effective interest rate (EIR) method.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 dividend 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).

### (xxv) 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 Balance Sheet date

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 Balance Sheet date. Remeasurement gains and losses arising from experience

adjustments and changes in actuarial assumptions are recognised in the period in which they occur, in the statement of Profit or Loss.

### (xxvi) 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 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 the Consolidated statement of 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 convincing evidence to the effect that the Group will pay normal income tax during the specified period.

### (xxvii) 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.

### (xxviii) 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.

### (xxix) 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 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.

### (xxx) Dividends

Dividends paid is recognised in the period in which the interim dividends are approved by the Board of Directors, and in respect of the final dividend when approved by shareholders. The amount is recognised directly in other equity.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**3.1 | PROPERTY, PLANT AND EQUIPMENT**

| Particulars                            | Freehold Land & Site development | Mines Development | Building         | Plant & Machinery | Railway siding  | Furniture & Fixtures | Office Equipments | Computers     | Vehicles         | Tools & Tackles | Total              |
|--|----------------------------------|-------------------|------------------|-------------------|-----------------|----------------------|-------------------|---------------|------------------|-----------------|--------------------|
| <b>Gross Carrying Value:</b>           |                                  |                   |                  |                   |                 |                      |                   |               |                  |                 |                    |
| <b>At 1st April, 2021</b>              | <b>10,880.42</b>                 | -                 | <b>26,261.79</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> |
| Additions                              | 2,576.80                         | -                 | 6,010.45         | 5,390.59          | -               | 102.22               | 50.97             | 156.60        | 7,213.45         | 183.66          | 21,684.74          |
| Less: Disposals/deductions/adjustments | -                                | -                 | 190.63           | 89.11             | -               | 64.54                | 28.12             | 48.16         | 40.35            | 36.15           | 497.06             |
| Reclassified (Refer note 3.1 f)        | (2,528.73)                       | 2,027.44          | -                | -                 | -               | -                    | -                 | -             | -                | -               | (501.29)           |
| <b>At 31st March, 2022</b>             | <b>10,928.49</b>                 | <b>2,027.44</b>   | <b>32,081.61</b> | <b>94,817.39</b>  | <b>3,892.16</b> | <b>1,053.20</b>      | <b>550.52</b>     | <b>560.46</b> | <b>11,927.61</b> | <b>668.07</b>   | <b>1,58,506.95</b> |
| Additions                              | 695.33                           | 282.81            | 3,122.63         | 448.12            | 2,442.19        | 101.65               | 70.69             | 124.33        | 2,479.86         | 51.36           | 9,818.98           |
| Less: Disposals/deductions/adjustments | -                                | -                 | -                | 448.30            | -               | -                    | 0.20              | 0.13          | 194.57           | 6.40            | 649.59             |
| <b>At 31st March, 2023</b>             | <b>11,623.82</b>                 | <b>2,310.25</b>   | <b>35,204.24</b> | <b>94,817.21</b>  | <b>6,334.35</b> | <b>1,154.85</b>      | <b>621.01</b>     | <b>684.66</b> | <b>14,212.90</b> | <b>713.03</b>   | <b>1,67,676.34</b> |
| <b>Accumulated Depreciation:</b>       |                                  |                   |                  |                   |                 |                      |                   |               |                  |                 |                    |
| <b>At 1st April, 2021</b>              | -                                | -                 | <b>8,243.72</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>   |
| Charge for the year                    | 5.16                             | -                 | 1,689.87         | 7,622.92          | 560.74          | 134.06               | 91.20             | 103.64        | 1,832.13         | 67.06           | 12,106.79          |
| Less: Disposals/deductions/adjustments | -                                | -                 | 35.14            | 40.48             | -               | 59.58                | 26.96             | 45.47         | 34.10            | 11.21           | 252.93             |
| Reclassified (Refer note 3.1 f)        | (5.16)                           | -                 | -                | -                 | -               | -                    | -                 | -             | -                | -               | (5.16)             |
| <b>At 31st March, 2022</b>             | -                                | -                 | <b>9,898.45</b>  | <b>50,398.51</b>  | <b>1,462.23</b> | <b>603.69</b>        | <b>404.12</b>     | <b>367.99</b> | <b>4,199.27</b>  | <b>343.53</b>   | <b>67,677.81</b>   |
| Charge for the year                    | -                                | 46.15             | 2,340.88         | 6,840.00          | 714.34          | 123.60               | 69.91             | 120.04        | 2,726.54         | 98.66           | 13,080.12          |
| Less: Disposals/deductions/adjustments | -                                | -                 | -                | 285.89            | -               | -                    | 0.07              | 0.13          | 118.88           | 2.57            | 407.54             |
| <b>At 31st March, 2023</b>             | -                                | <b>46.15</b>      | <b>12,239.33</b> | <b>56,952.62</b>  | <b>2,176.57</b> | <b>727.30</b>        | <b>473.96</b>     | <b>487.90</b> | <b>6,806.93</b>  | <b>439.62</b>   | <b>80,350.39</b>   |
| <b>Net Carrying Value:</b>             |                                  |                   |                  |                   |                 |                      |                   |               |                  |                 |                    |
| At 31st March, 2022                    | 10,928.49                        | 2,027.44          | 22,183.16        | 44,418.88         | 2,429.93        | 449.51               | 146.40            | 192.47        | 7,728.35         | 324.54          | 90,829.13          |
| <b>At 31st March, 2023</b>             | <b>11,623.82</b>                 | <b>2,264.10</b>   | <b>22,964.91</b> | <b>37,864.59</b>  | <b>4,157.78</b> | <b>427.55</b>        | <b>147.05</b>     | <b>196.76</b> | <b>7,405.97</b>  | <b>273.41</b>   | <b>87,325.95</b>   |

Note 3.1 a) : The Group doesn't hold any benami property and there is no proceeding initiated for pending against the Group for holding any benami property under Benami Transaction (Prohibition) Act 1988 and rules made their under.

Note 3.1 b) : The Group has not revalued its property plant & equipment, right of use assets and intangible assets during the year.

Note 3.1 c) : Railway siding constructed during the year has been on the land owned by the Government-local authorities. The Group has entered an agreement with the railway authorities to use the siding for a specified period as per the terms of agreement.

Note 3.1 d) : Depreciation for the year includes ₹ 180.23 Lakhs (31st March, 2022 - ₹ 6.08 Lakhs) which has been capitalised as pre-operative expenses in capital work-in-progress.

Note 3.1 e) : Refer note 45 for purchase and sale transactions of capital goods with related parties.

Note 3.1 f) : Mines development and leasehold land has been reclassified from Land and site development.

Note 3.1 g) : The Group has carried out impairment test in respect property, plant and equipments and based on the management's assessment regarding future projection, no impairment is necessary at the balance sheet date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### 3.2 CAPITAL WORK IN PROGRESS

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Balance at the beginning of the year               | 10,454.95                 | 12,584.54                 |
| Add : Expenditure during construction for projects | 53,028.00                 | 21,223.94                 |
| Less : Capitalised during the year                 | 8,420.95                  | 23,353.53                 |
| <b>Balance at the end of the year</b>              | <b>55,062.00</b>          | <b>10,454.95</b>          |

#### Ageing of Capital work-in-progress as at 31st March, 2023

| Particulars                    | (₹ in Lakhs)                                       |             |             |                   |           |
|--------------------------------|--|-------------|-------------|-------------------|-----------|
|                                | Amount in Capital Work in Progress for a period of |             |             |                   |           |
|                                | Less than 1 year                                   | 1 - 2 years | 2 - 3 years | More than 3 years | Total     |
| Projects in progress           | 51,943.85  | 1,453.89    | 150.39      | 1,513.87          | 55,062.00 |
| Projects temporarily suspended | -  | -           | -           | -                 | -         |

#### Ageing of Capital work-in-progress as at 31st March, 2022

| Particulars                    | (₹ in Lakhs)                                       |             |             |                   |           |
|--------------------------------|--|-------------|-------------|-------------------|-----------|
|                                | Amount in Capital Work in Progress for a period of |             |             |                   |           |
|                                | Less than 1 year                                   | 1 - 2 years | 2 - 3 years | More than 3 years | Total     |
| Projects in progress           | 8,274.77   | 498.76      | 240.07      | 1,441.35          | 10,454.95 |
| Projects temporarily suspended | -  | -           | -           | -                 | -         |

**Note :** There is no project whose cost has exceeded its budget or has overrun its completion time at each reporting date.

### 3.3 RIGHT-OF-USE ASSETS

| Particulars                           | (₹ in Lakhs)            |                    |                 |
|---------------------------------------|-------------------------|--------------------|-----------------|
|                                       | Non Factory<br>Building | Lease Hold<br>Land | Total           |
| <b>Gross Carrying Value</b>           |                         |                    |                 |
| <b>At 1st April, 2021</b>             | <b>636.47</b>           | -                  | <b>636.47</b>   |
| Addition                              | 1,621.82                | -                  | 1,621.82        |
| Disposals                             | 638.73                  | -                  | 638.73          |
| Reclassification {Refer note 3.3(a) } |                         | 501.29             | 501.29          |
| <b>At 31st March, ,2022</b>           | <b>1,619.56</b>         | <b>501.29</b>      | <b>2,120.85</b> |
| Addition                              | 138.67                  | 49.88              | 188.55          |
| Disposals                             | 80.00                   | -                  | 80.00           |
| <b>At 31st March, 2023</b>            | <b>1,678.23</b>         | <b>551.17</b>      | <b>2,229.40</b> |
| <b>Accumulated Depreciation</b>       |                         |                    |                 |
| <b>At 1st April, 2021</b>             | <b>367.89</b>           | -                  | <b>367.89</b>   |
| charge for the year                   | 258.56                  | -                  | 258.56          |
| Disposals/deductions/adjustment       | 2.63                    | -                  | 2.63            |
| Reclassification {Refer note 3.3(a) } | -                       | 5.16               | 5.16            |
| <b>At 31st March, ,2022</b>           | <b>623.82</b>           | <b>5.16</b>        | <b>628.98</b>   |
| charge for the year                   | 246.86                  | 6.73               | 253.59          |
| Disposals/deductions/adjustment       | 23.25                   | -                  | 23.25           |
| <b>At 31st March, 2023</b>            | <b>847.44</b>           | <b>11.89</b>       | <b>859.32</b>   |
| <b>Net Carrying Value</b>             |                         |                    |                 |
| At 31st March, ,2022                  | 995.74                  | 496.13             | 1,491.87        |
| <b>At 31st March, 2023</b>            | <b>830.79</b>           | <b>539.28</b>      | <b>1,370.07</b> |

Note 3.3 a): Leasehold land has been reclassified from land and site development. Also Refer note 3.1 f.

Note 3.3 b): During the year, Group has charged Depreciation for the year ₹ 1.67 Lakhs ( 31st March, 2022 - ₹ Nil ) which has been capitalised as pre-operative expenses in capital work in progress.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**3.4 | INTANGIBLE ASSETS**

(₹ in Lakhs)

| Particulars                      | Computer Software |
|----------------------------------|-------------------|
| <b>Gross Carrying Value:</b>     |                   |
| <b>At 1st April, 2021</b>        | <b>101.36</b>     |
| Additions                        | 5.82              |
| Disposals/deductions             | 10.26             |
| <b>At 31st March, 2022</b>       | <b>96.92</b>      |
| Additions                        | 501.38            |
| Disposals/deductions             | -                 |
| <b>At 31st March, 2023</b>       | <b>598.30</b>     |
| <b>Accumulated Amortisation:</b> |                   |
| <b>At 1st April, 2021</b>        | <b>64.81</b>      |
| Charge for the year              | 16.09             |
| Disposals/deductions             | 10.23             |
| <b>At 31st March, 2022</b>       | <b>70.67</b>      |
| Charge for the year              | 129.51            |
| Disposals/deductions             | -                 |
| <b>At 31st March, 2023</b>       | <b>200.18</b>     |
| <b>Net Carrying Value:</b>       |                   |
| At 31st March, 2022              | 26.25             |
| <b>At 31st March, 2023</b>       | <b>398.12</b>     |

Note 3.4 a): During the year, Group has charged Depreciation for the year ₹ 0.40 Lakhs (31st March, 2022 - ₹ Nil) which has been capitalised as pre-operative expenses in capital work in progress.

**3.5 | INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ in Lakhs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2023 | 31st March, 2022 |
| <b>Balance at the beginning of the year</b>        | <b>450.83</b>    | <b>76.50</b>     |
| Add : Expenditure during construction for projects | 44.02            | 374.33           |
| Less : Capitalised during the year                 | 494.85           | -                |
| <b>Balance at the end of the year</b>              | <b>-</b>         | <b>450.83</b>    |

**Ageing of Intangible assets under development as at 31st March, 2022**

(₹ in Lakhs)

| Particulars                    | Amount in Capital Work-in-Progress for a period of |           |           |                   | Total  |
|--------------------------------|--|-----------|-----------|-------------------|--------|
|                                | Less than 1 year                                   | 1-2 years | 2-3 Years | More than 3 years |        |
| Projects in progress           | 374.33   | -         | 76.50     | -                 | 450.83 |
| Projects temporarily suspended | -  | -         | -         | -                 | -      |

**Note :** Ageing of intangible assets under development as on 31st March, 2023 has not been disclosed in view of Nil balance.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 4 | NON- CURRENT INVESTMENTS

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Investment at Fair value through Other Comprehensive Income (FVTOCI)</b>                   |                           |                           |
| <b>Investment in Unquoted Equity Instruments</b>  |                           |                           |
| Ribhoi Engineering Company Private Limited  |                           |                           |
| 27,000 ( 27,000 as at 31st March, 2022) Equity Share of ₹ 10/- each fully paid up             | 32.67                     | 31.05                     |
| <b>Investment at Fair Value through Profit or Loss (FVTPL)</b>                                |                           |                           |
| <b>Investment in Unquoted Equity Instruments</b>  |                           |                           |
| Adonis Vyapaar Private Limited  | 38.13                     | 36.36                     |
| 3,55,509 (3,55,509 as at 31st March, 2022) Equity Shares of ₹ 10/- each fully paid up         |                           |                           |
| Apanapan Viniyog Private Limited  | 38.13                     | 36.36                     |
| 3,55,509 (3,55,509 as at 31st March, 2022 ) Equity Shares of ₹ 10/- each fully paid up        |                           |                           |
| Ara Suppliers Private Limited   | 37.90                     | 36.16                     |
| 3,55,509 (3,55,509 as at 31st March, 2022 ) Equity Shares of ₹ 10/- each fully paid up        |                           |                           |
| Arham Sales Private Limited   | 38.17                     | 36.39                     |
| 3,55,509 (3,55,509 as at 31st March, 2022) Equity Shares of ₹ 10/- each fully paid up         |                           |                           |
| <b>Investment in Quoted Equity Instruments</b>  |                           |                           |
| Reliance Power Limited  |                           |                           |
| 8,743 (8,743 as at 31st March, 2022) Equity Shares of ₹ 10/- each fully paid up.              | 0.87                      | 1.18                      |
| <b>Investment measured at amortised cost</b>  |                           |                           |
| <b>Investment in Bond - Quoted (fully paid up - Face Value 10 Lakhs each)</b>                 |                           |                           |
| 8.75% Axis Bank Limited SR-28 Perpetual Bond, Nil unit (31st March, 2022- 150 units)          | -                         | 1,506.24                  |
| 8.65% Bank of Baroda SR-IX Perpetual Bond, Nil unit (31st March, 2022- 250 units)             | -                         | 2,512.12                  |
| 8.60% Bank of Baroda SR-VIII Perpetual Bond, Nil unit (31st March, 2022- 100 units)           | -                         | 1,005.15                  |
| 8.85% HDFC Bank Limited SR-1 Perpetual Bond, Nil unit (31st March, 2022- 50 units )           | -                         | 501.94                    |
| 9.90% ICICI Bank Limited SR Perpetual Bond, 100 units (31st March, 2022- 100 units)           | 1,024.42                  | 1,057.30                  |
| 9.15% ICICI Bank Limited SR Perpetual Bond, 720 units (31st March, 2022- 120 units)           | 7,229.56                  | 1,229.25                  |
| 9.45 % State Bank of India Series 1 NCD Perpetual Bond, 70 units (31st March, 2022- Nil)      | 715.11                    | -                         |
| 8.55% ICICI Bank Limited SR-DOT Perpetual Bond, Nil unit (31st March, 2022- 150 units)        | -                         | 1,511.69                  |
| 9.56% State Bank of India Series I Perpetual Bond, 594 units (31st March, 2022- 394 units)    | 6,062.01                  | 4,139.90                  |
| 9.37% State Bank of India Series I NCD Perpetual Bond, 200 units (31st March, 2022- 50 units) | 2,037.96                  | 524.07                    |
| 8.15% State Bank of India - SR-IV Perpetual Bond , Nil unit (31st March, 2022- 255 units)     | -                         | 2,561.59                  |
|   | <b>17,254.93</b>          | <b>16,726.75</b>          |
| Aggregate market value of Quoted investment   | 17,187.10                 | 16,703.97                 |
| Aggregate carrying amount of Quoted investment  | 17,069.93                 | 16,550.44                 |
| Aggregate amount of Unquoted investments  | 185.00                    | 176.31                    |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 5 | NON-CURRENT FINANCIAL ASSETS**

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Security deposits  | 608.18                    | 450.48                    |
| In Fixed Deposits accounts with maturity of more than 12 months (Refer note 5.1) | 4,452.09                  | 11,801.59                 |
| Interest on Fixed Deposits with maturity of more than 12 months                  | 265.44                    | 30.33                     |
|  | <b>5,325.71</b>           | <b>12,282.40</b>          |

Note 5.1: Fixed Deposits with banks include fixed deposits of ₹ 177.09 Lakhs (previous year ₹ 176.59 Lakhs) which have been held as margin money with banks against bank guarantees given by them.

**NOTE: 6 | DEFERRED TAX ASSETS (NET)**

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Deferred tax liabilities  |                           |                           |
| On temporary differences with respect to property, plant and equipment and intangible assets. | 398.90                    | 128.78                    |
|   | <b>398.90</b>             | <b>128.78</b>             |
| Deferred tax assets   |                           |                           |
| On MAT credit entitlement   | 28,311.15                 | 34,724.82                 |
| On provision for employee benefits  | 280.47                    | 184.33                    |
| On Allowance for doubtful receivables   | 92.19                     | -                         |
| On Carry forward losses under Income Tax Act, 1961  | 246.55                    | 412.56                    |
| Others  | 372.50                    | 199.08                    |
|   | <b>29,302.86</b>          | <b>35,520.79</b>          |
| <b>Deferred tax assets (net)</b>  | <b>28,903.96</b>          | <b>35,392.01</b>          |

**NOTE: 6.1 | MOVEMENT IN DEFERRED TAX ASSETS**

| Particulars  | (₹ in Lakhs)  |                        |                                 |                                     |                      |               |                  |
|--|---|------------------------|---------------------------------|-------------------------------------|----------------------|---------------|------------------|
|  | Property, plant and equipment and intangible assets | MAT credit entitlement | Provision for employee benefits | Loss allowance on trade receivables | Carry forward losses | Others        | Total            |
| <b>As at 1st April 2021</b>                        | <b>(849.03)</b>                                     | <b>31,089.75</b>       | <b>274.43</b>                   | <b>-</b>                            | <b>381.61</b>        | <b>226.09</b> | <b>31,122.85</b> |
| (Charged)/credited:                                |   |                        |                                 |                                     |                      |               |                  |
| - to statement of profit and loss                  | 720.25  | 3,635.07               | (97.88)                         | -                                   | 30.95                | (27.01)       | 4,261.39         |
| - to other comprehensive income                    | -   | -                      | 7.78                            | -                                   | -                    | -             | 7.78             |
| <b>As at 31st March, 2022</b>                      | <b>(128.78)</b>                                     | <b>34,724.82</b>       | <b>184.33</b>                   | <b>-</b>                            | <b>412.56</b>        | <b>199.08</b> | <b>35,392.01</b> |
| (Charged)/credited:                                |   |                        |                                 |                                     |                      |               |                  |
| - to statement of profit and loss (Refer Note 6.3) | (270.12)  | (6,413.67)             | 112.02                          | 92.19                               | (166.01)             | 173.42        | (6,472.17)       |
| - to other comprehensive income                    | -   | -                      | (15.88)                         | -                                   | -                    | -             | (15.88)          |
| <b>As at 31st March, 2023</b>                      | <b>(398.90)</b>                                     | <b>28,311.15</b>       | <b>280.47</b>                   | <b>92.19</b>                        | <b>246.55</b>        | <b>372.50</b> | <b>28,903.96</b> |

Note 6.2 : The carrying amount of deferred tax assets are reviewed at each balance sheet date. Based on the management's estimate regarding the future projection, the Group expects to have sufficient future taxable profits against which above Deferred Tax Asset shall be realised.

Note 6.3 : Based on the Legal opinion obtained by the Group, a sum of ₹ 984.61 Lakhs of Mat Credit entitlement pertaining to earlier years has been recognised during the year based on its availability and a sum of ₹ 212.27 Lakhs has been charged off during the year.

Note 6.4 : Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income tax at reduced rate with effect from financial year commencing 1st April, 2019 subject to certain conditions. The Group has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax ("MAT"). The Group shall, however, continue to review its profitability forecast at regular intervals and shall carry out necessary remeasurement adjustments to deferred tax/liabilities as per Ind As -12 "Income Taxes" upon assessment of reasonable certainty to avail the option under section 115 BAA.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 7 | NON-CURRENT TAX ASSETS (NET)

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Advance income tax (net of provision for taxation of ₹ 10,285.64 Lakhs for 31st March, 2023, ₹ 8,776.15 Lakhs as on 31st March, 2022) | 1,057.31                  | 1,107.90                  |
|   | <b>1,057.31</b>           | <b>1,107.90</b>           |

### NOTE: 8 | OTHER NON-CURRENT ASSETS

| Particulars                       | (₹ in Lakhs)              |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Secured, considered good</b>   |                           |                           |
| Capital advances                  | 2,156.23                  | 1,187.74                  |
| <b>Unsecured, considered good</b> |                           |                           |
| Capital advances (Refer note 8.1) | 14,479.09                 | 8,046.83                  |
| Deposits with statutory authority | 63.58                     | 63.58                     |
| Others                            | 0.42                      | 0.42                      |
|                                   | <b>16,699.32</b>          | <b>9,298.57</b>           |

Note 8.1: Capital Advances includes advance against land of ₹ 7,867.55 Lakhs (31st March, 2022 - ₹ 6,883.71 Lakhs). The Group is in the process of getting approval for registration of respective land in its name.

### NOTE: 9 | INVENTORIES

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>(Valued at Lower of Cost or Net Realisable Value, unless otherwise stated)</b>              |                           |                           |
| Raw materials [including in transit- ₹ 149.21 Lakhs, (31st March, 2022: ₹ 912.38 Lakhs)]       | 5,484.63                  | 4,725.04                  |
| Work - in - progress   | 259.26                    | 297.93                    |
| Finished goods [including in transit- ₹ 1,434.60 Lakhs (31st March, 2022: ₹ 825.58 Lakhs)]     | 4,962.66                  | 3,137.67                  |
| Fuels, packing materials, etc. [including in transit- ₹ 372.79 Lakhs, (31st March, 2022: NIL)] | 19,257.90                 | 5,558.58                  |
| Stores & Spares (Refer Note 9.1)   | 7,446.71                  | 5,810.30                  |
|  | <b>37,411.16</b>          | <b>19,529.52</b>          |

Note 9.1 : The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for obsolescence of Stores and Spares in the current year is ₹ 27.30 Lakhs (31st March, 2022 – ₹ Nil). There has been no reversal of such write down in current and previous year.

Note 9.2 : Refer note 18B in respect of charge created against borrowing.

Note 9.3 : Finished goods include power inventory with MePDCL of ₹ 154.48 Lakhs (31st March, 2022: ₹ 170.54 Lakhs).

### NOTE: 10 | TRADE RECEIVABLES

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Trade Receivables considered good - Secured                      | 6,168.03                  | 7,656.63                  |
| Trade Receivables considered good - Unsecured                    | 3,599.95                  | 5,206.94                  |
| Trade Receivables which have significant increase in Credit Risk | 1,054.45                  | 159.94                    |
| Trade Receivable - Credit Impaired                               | -                         | -                         |
|  | <b>10,822.43</b>          | <b>13,023.51</b>          |
| Less: Allowance for credit losses on trade receivables           | (353.32)                  | (148.59)                  |
|  | <b>10,469.11</b>          | <b>12,874.92</b>          |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 10 | TRADE RECEIVABLES (Contd.)**

Ageing of outstanding trade receivables as on 31st March, 2023 from due date of payment

(₹ in Lakhs)

| Particulars  | Not Due         | Less than 6 months | 6 months - 1 year | 1 - 2 years   | 2 - 3 years  | More than 3 years | Total            |
|--|-----------------|--------------------|-------------------|---------------|--------------|-------------------|------------------|
| <b>Undisputed Trade Receivables</b>                    |                 |                    |                   |               |              |                   |                  |
| Considered Good  | 8,781.39        | 507.48             | 411.74            | 36.18         | -            | 0.75              | 9,737.54         |
| Which have significant increase in credit risk         | -               | -                  | -                 | -             | -            | -                 | -                |
| Credit impaired  | -               | -                  | -                 | -             | -            | -                 | -                |
| <b>Disputed Trade Receivables</b>                      |                 |                    |                   |               |              |                   |                  |
| Considered Good  | -               | -                  | -                 | -             | -            | 30.44             | 30.44            |
| Which have significant increase in credit risk         | -               | -                  | 34.45             | 250.77        | 19.49        | 749.74            | 1,054.45         |
| Credit impaired  | -               | -                  | -                 | -             | -            | -                 | -                |
|  | <b>8,781.39</b> | <b>507.48</b>      | <b>446.19</b>     | <b>286.95</b> | <b>19.49</b> | <b>780.93</b>     | <b>10,822.43</b> |
| Less: Allowance for credit losses on trade receivables |                 |                    |                   |               |              |                   | (353.32)         |
| <b>Total Trade Receivables</b>                         | <b>8,781.39</b> | <b>507.48</b>      | <b>446.19</b>     | <b>286.95</b> | <b>19.49</b> | <b>780.93</b>     | <b>10,469.11</b> |

Ageing of outstanding trade receivables as on 31st March, 2022 from due date of payment

(₹ in Lakhs)

| Particulars  | Not Due          | Less than 6 months | 6 months - 1 year | 1 - 2 years   | 2 - 3 years   | More than 3 years | Total            |
|--|------------------|--------------------|-------------------|---------------|---------------|-------------------|------------------|
| <b>Undisputed Trade Receivables</b>                    |                  |                    |                   |               |               |                   |                  |
| Considered Good  | 10,405.78        | 854.78             | 378.57            | 192.55        | 188.85        | -                 | 12,020.53        |
| Which have significant increase in credit risk         | -                | -                  | -                 | -             | -             | -                 | -                |
| Credit impaired  | -                | -                  | -                 | -             | -             | -                 | -                |
| <b>Disputed Trade Receivables</b>                      |                  |                    |                   |               |               |                   |                  |
| Considered Good  | -                | -                  | 373.67            | 19.39         | 419.54        | 30.44             | 843.04           |
| Which have significant increase in credit risk         | -                | 14.72              | -                 | -             | -             | 145.22            | 159.94           |
| Credit impaired  | -                | -                  | -                 | -             | -             | -                 | -                |
|  | <b>10,405.78</b> | <b>869.50</b>      | <b>752.24</b>     | <b>211.94</b> | <b>608.39</b> | <b>175.66</b>     | <b>13,023.51</b> |
| Less: Allowance for credit losses on trade receivables |                  |                    |                   |               |               |                   | (148.59)         |
| <b>Total Trade Receivables</b>                         | <b>10,405.78</b> | <b>869.50</b>      | <b>752.24</b>     | <b>211.94</b> | <b>608.39</b> | <b>175.66</b>     | <b>12,874.92</b> |

Note 10.1 : Refer note 18B in respect of Charge created against borrowings.

 Note 10.2 : No trade receivables are due from directors or other officers of the Group, either severally or jointly with any other person.  
Further no trade receivables are due from firms or private companies, respectively in which any director is a partner, a director or a member.

Note 10.3: Allowances for credit losses of trade receivables has been estimated based on ageing of receivables and customer related specific information on specific case basis. Refer note 42 A (i) for details in movement of loss allowance.

Note 10.4: There are no unbilled receivables at each reporting date.

**NOTE: 11 | CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Cash on hand  | 85.69                  | 77.01                  |
| Cheques on hand   | 123.26                 | 79.25                  |
| Balance with Banks:   |                        |                        |
| - In current accounts/cash credit accounts                              | 1,032.11               | 651.29                 |
| - In fixed deposit account with original maturity of less than 3 months | 10,921.17              | -                      |
|   | <b>12,162.23</b>       | <b>807.55</b>          |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 12 | BANK BALANCES (OTHER THAN NOTE NO. 11 ABOVE)

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Earmarked balances with bank for unpaid dividend   | 9.29                      | 12.50                     |
| In Fixed Deposits accounts with banks with remaining maturity less than 12 months. (Refer note 12.1) | 19,002.77                 | 37,646.67                 |
|  | <b>19,012.06</b>          | <b>37,659.17</b>          |

Note 12.1: Fixed Deposits with banks includes fixed deposits of ₹ 151.86 Lakhs (previous year ₹ 165.90 Lakhs) which have been held as margin money with banks against bank guarantees given by them.

### NOTE: 13 | LOANS

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Unsecured, considered good (unless otherwise mentioned) |                           |                           |
| Loans to body corporates (other than related party)     | 1,730.70                  | 3,409.77                  |
|   | <b>1,730.70</b>           | <b>3,409.77</b>           |

Note 13.1: Disclosure of loans or advances to specified persons as per requirement of Schedule III of the Companies Act, 2013

| Type of Borrower          | As at 31st March, 2023 |            | As at 31st March, 2022 |               |
|---------------------------|------------------------|------------|------------------------|---------------|
|                           | (₹ in Lakhs)           | % age      | (₹ in Lakhs)           | % age         |
| Promoters                 | -                      | -          | -                      | -             |
| Directors                 | -                      | -          | -                      | -             |
| Key Managerial Personnels | -                      | -          | -                      | -             |
| Related Parties           | -                      | -          | -                      | -             |
| Others                    | 1,730.70               | 100        | 3,409.77               | 100.00        |
|                           | <b>1,730.70</b>        | <b>100</b> | <b>3,409.77</b>        | <b>100.00</b> |

Note 13.2: Disclosure required under Section 186(4) of the Companies Act, 2013

| Name of the Entity                        | Year ended 31st March, 2023             |   |                  | Year ended 31st March, 2022             |   |                  |
|---|---|---|------------------|---|---|------------------|
|   | Loan outstanding as on 31st March, 2023 | Maximum balance outstanding during the year | Rate of interest | Loan outstanding as on 31st March, 2022 | Maximum balance outstanding during the year | Rate of interest |
| <b>Loan to others:</b>                    |   |   |                  |   |   |                  |
| 1) North East Carriers Private Limited    | 1,680.70                                | 1,680.70                                    | 6.00%            | 1,661.06                                | 1,661.06                                    | 6.00%            |
| 2) Goodview Agencies Private Limited      | 50.00                                   | 63.71                                       | 10.00%           | 63.71                                   | 63.71                                       | 10.00%           |
| 3) Lalwani Ferro Alloys Limited           | -                                       | 200.00                                      | 10.00%           | 200.00                                  | 200.00                                      | 10.00%           |
| 4) Saburi Panels Private Limited          | -                                       | 100.00                                      | 10.00%           | 100.00                                  | 100.00                                      | 10.00%           |
| 5) Subham Capital Private Limited         | -                                       | 1,000.00                                    | 8.50%            | 1,000.00                                | 1,900.00                                    | 8.50%            |
| 6) Suhag Overseas Trading Private Limited | -                                       | 135.00                                      | 8.50%            | 135.00                                  | 135.00                                      | 8.50%            |
| 7) Tiru Complex LLP                       | -                                       | 250.00                                      | 10.00%           | 250.00                                  | 266.22                                      | 10.00%           |

Note 13.3: There are no outstanding loans from any directors or other officers of the Group as on the each reporting date.

Note 13.4: The above Loans have been granted for general business purpose.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 14 | OTHER FINANCIAL ASSETS**

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Unsecured, considered good (unless otherwise mentioned)</b> |                           |                           |
| Security deposits  | 212.50                    | 77.26                     |
| Advances to a related party                                    | -                         | 35.00                     |
| Interest accrued on Fixed deposits                             | 852.21                    | 1,707.59                  |
| Interest accrued on Bonds                                      | 777.15                    | 108.17                    |
| Interest accrued on Others                                     | 137.25                    | 151.83                    |
| Subsidies and incentives receivable                            | 2,126.29                  | 11,196.76                 |
|  | <b>4,105.40</b>           | <b>13,276.61</b>          |

**NOTE: 15 | OTHER CURRENT ASSETS**

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Unsecured, considered good (unless otherwise mentioned)</b> |                           |                           |
| Advances for supply of Goods & Services                        | 10,469.84                 | 6,186.26                  |
| Balances with statutory and government authorities             | 3,367.35                  | 1,564.96                  |
| Stamp paper on hand  | 2.06                      | 0.66                      |
| Prepaid expenses   | 896.52                    | 949.41                    |
| Advances to employees  | 115.72                    | 122.58                    |
| Others   | 0.48                      | 67.39                     |
| <b>Unsecured, considered doubtful</b>                          |                           |                           |
| Doubtful advances for supply of goods and services             | 17.77                     | 17.37                     |
| Less: Allowance for bad & doubtful advances                    | (17.77)                   | (17.37)                   |
|  | <b>14,851.97</b>          | <b>8,891.26</b>           |

**NOTE: 16 | EQUITY SHARE CAPITAL**

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Authorised Capital</b>   |                           |                           |
| 83,00,00,000 (83,00,00,000 as at 31st March, 2022) Equity Shares of ₹ 1/- each fully paid | 8,300.00                  | 8,300.00                  |
|   | <b>8,300.00</b>           | <b>8,300.00</b>           |
| Issued, Subscribed & fully Paid -up shares  | 4,041.80                  | 4,041.80                  |
| 40,41,80,417 (40,41,80,417 as at 31st March, 2022) Equity Shares of ₹ 1/- each fully paid | <b>4,041.80</b>           | <b>4,041.80</b>           |

**a) Terms/Rights attached to equity shares**

The Parent 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 Parent 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 Parent Company, the holders of the equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 16 | EQUITY SHARE CAPITAL (Contd.)

b) In terms of approval of the Board of Directors obtained at its meeting held on 13th August, 2021, the Parent Company had offered Buy Back of Equity shares to all eligible equity shareholders of the Parent Company on a proportionate basis through tender offer route using Stock Exchange mechanism. The buyback of equity shares through the Stock Exchange commenced on 22nd September, 2021 and closed on 5th October, 2021. Accordingly, the Parent Company bought back and extinguished a total of 82,48,580 equity shares of ₹ 1 each at a price of ₹ 150 per equity share, representing 2.00% of the pre-buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 123.73 Crores (excluding transaction costs such as Brokerage, Buy Back Tax, Securities Transaction Tax, GST, Stamp duty and other related expenses etc.). Payments to the eligible shareholders of parent Company were completed on 13th October, 2021. In the last five financial years, Parent Company had bought back 1,50,48,580 number of equity shares.

### c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

| Equity Shares                       | As at               | As at               |
|-------------------------------------|---------------------|---------------------|
|                                     | 31st March, 2023    | 31st March, 2022    |
|                                     | No of Shares        | No of Shares        |
| At the beginning of the year        | 40,41,80,417        | 41,24,28,997        |
| Buyback of shares during the period | -                   | (82,48,580)         |
| Outstanding at the end of the year  | <b>40,41,80,417</b> | <b>40,41,80,417</b> |

### d) Details of Shareholders holding more than 5% of Equity Share capital

| Name of the Shareholders                         | As at                          | As at                          |
|--|--------------------------------|--------------------------------|
|  | 31st March, 2023               | 31st March, 2022               |
|  | No. of Shares and % of holding | No. of Shares and % of holding |
| Sajjan Bhajanka                                  | 4,78,86,362<br>11.85%          | 4,78,86,362<br>11.85%          |
| Prem Bhajanka                                    | 3,94,85,295<br>9.77%           | 3,73,53,344<br>9.24%           |
| SBI Flexicap Fund (including SBI Small Cap Fund) | 2,38,27,667<br>5.90%           | 2,38,27,667<br>5.90%           |

### e) Details of shares held by the promoters at the end of the year

| Sr No | Promoter Name        | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   | % Change during the year |
|-------|----------------------|------------------------|-------------------|------------------------|-------------------|--------------------------|
|       |                      | No. of Shares          | % of Total Shares | No. of Shares          | % of Total Shares |                          |
| 1     | Sajjan Bhajanka      | 4,78,86,362            | 11.85             | 4,78,86,362            | 11.85             | -                        |
| 2     | Prem Kumar Bhajanka  | 3,94,85,295            | 9.77              | 3,73,53,344            | 9.24              | 0.06                     |
| 3     | Rajendra Chamaria    | 1,95,34,116            | 4.83              | 1,95,34,116            | 4.83              | -                        |
| 4     | Sanjay Agarwal       | 1,76,23,185            | 4.36              | 1,76,23,185            | 4.36              | -                        |
| 5     | Rajesh Kumar Agarwal | 35,15,625              | 0.87              | 35,15,625              | 0.87              | -                        |

### f) Details of shares held by the promoters group at the end of the year

| Sr No | Promoter Group Name              | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   | % Change during the year |
|-------|----------------------------------|------------------------|-------------------|------------------------|-------------------|--------------------------|
|       |                                  | No. of Shares          | % of Total Shares | No. of Shares          | % of Total Shares |                          |
| 1     | Divya Agarwal                    | 1,86,60,196            | 4.62              | 1,86,60,196            | 4.62              | -                        |
| 2     | Santosh Bhajanka                 | 1,77,88,483            | 4.40              | 1,77,88,483            | 4.40              | -                        |
| 3     | Sachin Chamaria                  | 79,93,015              | 1.98              | 79,93,015              | 1.98              | -                        |
| 4     | Rahul Chamaria                   | 45,72,785              | 1.13              | 45,72,785              | 1.13              | -                        |
| 5     | Yash Bala Bhajanka               | 45,07,778              | 1.12              | 45,07,778              | 1.12              | -                        |
| 6     | Laxmi Chamaria                   | 39,48,080              | 0.98              | 39,48,080              | 0.98              | -                        |
| 7     | Renu Chamaria                    | 32,03,146              | 0.79              | 32,03,146              | 0.79              | -                        |
| 8     | Hardeo Das Kamakhya Prasad HUF   | 30,93,580              | 0.77              | 30,93,580              | 0.77              | -                        |
| 9     | Kailash Prasad Chamaria          | 29,60,293              | 0.73              | 29,60,293              | 0.73              | -                        |
| 10    | Gouri Shankar Kailash Prasad HUF | 28,08,225              | 0.69              | 28,08,225              | 0.69              | -                        |
| 11    | Amritansh Chamaria               | 26,07,800              | 0.65              | 26,07,800              | 0.65              | -                        |
| 12    | Bhawna Agarwal                   | 22,81,776              | 0.56              | 22,81,776              | 0.56              | -                        |
| 13    | Rajendra Udyog (HUF)             | 21,92,465              | 0.54              | 21,92,465              | 0.54              | -                        |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 17 | EQUITY SHARE CAPITAL (Contd.)**

| Sr No | Promoter Group Name                    | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   | % Change during the year |
|-------|--|------------------------|-------------------|------------------------|-------------------|--------------------------|
|       |  | No. of Shares          | % of Total Shares | No. of Shares          | % of Total Shares |                          |
| 14    | Hari Prasad Agarwala And Others        | 16,81,270              | 0.42              | 16,81,270              | 0.42              | -                        |
| 15    | Gayatri Chamaria                       | 15,67,362              | 0.39              | 15,67,362              | 0.39              | -                        |
| 16    | Snigdha Chamaria                       | 15,08,972              | 0.37              | 15,08,972              | 0.37              | -                        |
| 17    | Komal Chamaria                         | 14,90,046              | 0.37              | 14,90,046              | 0.37              | -                        |
| 18    | Sonu Kajaria                           | 13,26,560              | 0.33              | 13,26,560              | 0.33              | -                        |
| 19    | Sumitra Devi Agarwal                   | 12,99,930              | 0.32              | 12,99,930              | 0.32              | -                        |
| 20    | Payal Agrawal                          | 12,87,908              | 0.32              | 12,87,908              | 0.32              | -                        |
| 21    | Vinay And Company                      | 11,22,598              | 0.28              | 11,22,598              | 0.28              | -                        |
| 22    | Kamakhya Chamaria                      | 11,00,126              | 0.27              | 11,00,126              | 0.27              | -                        |
| 23    | Shraddha Agarwal                       | 10,89,718              | 0.27              | 10,89,718              | 0.27              | -                        |
| 24    | Ratna Chamaria                         | 10,55,124              | 0.26              | 10,55,124              | 0.26              | -                        |
| 25    | Tushar Bhajanka                        | 10,32,041              | 0.26              | 10,32,041              | 0.26              | -                        |
| 26    | Suchita Agarwal                        | 10,07,698              | 0.25              | 10,07,698              | 0.25              | -                        |
| 27    | Sneh Lohia                             | 9,82,041               | 0.24              | 9,82,041               | 0.24              | -                        |
| 28    | Sarika Jalan                           | 8,41,967               | 0.21              | 8,41,967               | 0.21              | -                        |
| 29    | Prahlad Rai Chamaria                   | 6,30,538               | 0.16              | 11,30,538              | 0.28              | (44.23)                  |
| 30    | Prahlad Rai Chamaria (HUF)             | 4,00,000               | 0.10              | 4,00,000               | 0.10              | -                        |
| 31    | Nancy Choudhary                        | 1,64,621               | 0.04              | 1,64,621               | 0.04              | -                        |
| 32    | Keshav Bhajanka                        | 1,58,317               | 0.04              | 1,58,317               | 0.04              | -                        |
| 33    | Saroj Kejriwal                         | 1,02,274               | 0.03              | 1,02,274               | 0.03              | -                        |
| 34    | Brijdham Merchants Private Limited     | 1,01,30,086            | 2.51              | 1,01,30,086            | 2.51              | -                        |
| 35    | Sri Ram Vanijya Private Limited        | 99,47,476              | 2.46              | 99,47,476              | 2.46              | -                        |
| 36    | Sumangal International Private Limited | 88,29,253              | 2.18              | 88,29,253              | 2.18              | -                        |
| 37    | Sumangal Business Private Limited      | 78,17,091              | 1.93              | 78,17,091              | 1.93              | -                        |
| 38    | Sri Ram Merchants Private Limited      | 76,57,056              | 1.89              | 76,57,056              | 1.89              | -                        |
| 39    | Auroville Investments Private Limited  | 23,76,194              | 0.59              | 23,76,194              | 0.59              | -                        |

**Note:** The above shareholding represents both legal and beneficial ownership based on the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest.

- g) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- h) No securities convertible into Equity/ Preference shares have been issued by the Parent Company during the year.
- i) No calls are unpaid by any Director or Officer of the Parent Company during the year.

**NOTE: 17 | OTHER EQUITY**

(₹ in Lakhs)

| Particulars                                 | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| <b>Capital reserves</b>                     |                        |                        |
| Opening balance                             | 3,631.19               | 3,631.19               |
| Addition/(Deduction) during the year        | -                      | -                      |
|   | <b>3,631.19</b>        | <b>3,631.19</b>        |
| <b>Capital Redemption Reserve Account</b>   |                        |                        |
| Balance as per last account                 | 150.49                 | 68.00                  |
| Addition: Transferred from Retained Earning | -                      | 82.49                  |
|   | <b>150.49</b>          | <b>150.49</b>          |
| <b>General reserve</b>                      |                        |                        |
| Opening balance                             | 3,187.83               | 3,187.83               |
| Addition/(Deduction) during the year        | -                      | -                      |
|   | <b>3,187.83</b>        | <b>3,187.83</b>        |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 17 | OTHER EQUITY (Contd.)

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Retained earnings</b>  |                           |                           |
| Opening balance   | 2,05,803.74               | 1,96,379.98               |
| Profit for the year   | 24,760.41                 | 24,677.48                 |
| Other comprehensive income:                                       |                           |                           |
| Remeasurement of post-employment benefit obligations (net of tax) | 32.13                     | (17.68)                   |
| Total Comprehensive Income for the year                           | 24,792.54                 | 24,659.80                 |
| Buyback of Shares during the year                                 | -                         | (15,236.04)               |
|   | <b>2,30,596.28</b>        | <b>2,05,803.74</b>        |
| <b>Other comprehensive income:</b>                                |                           |                           |
| Equity Instruments through Other Comprehensive Income             |                           |                           |
| Opening balance   | 28.35                     | 24.84                     |
| Addition during the year  | 1.62                      | 3.51                      |
|   | <b>29.97</b>              | <b>28.35</b>              |
| <b>Total Other equity</b>   | <b>2,37,595.76</b>        | <b>2,12,801.60</b>        |

#### Nature and purpose of reserves

##### Capital Reserve

This reserve has been created pursuant to scheme of amalgamation between company and Star Ferro and Cement Limited and can be utilised in accordance with the provisions of the Companies Act, 2013.

##### General reserve

The Group had transferred a portion of the net profit of the Group 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 Group creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from retained earnings.

##### Retained earnings

Retained earnings represents accumulated profit of the Group as on reporting date. Such Profits are after adjustment of payment of dividend, transfer to any reserves and adjustment for remeasurement Gain/loss on defined benefit plan.

##### Other comprehensive income

The group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the Equity Instruments through Other Comprehensive Income. The Group transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

### NOTE: 18A | BORROWINGS

| Particulars                                      | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Other loans (secured)                            |                           |                           |
| -Hire purchase finance from banks                | -                         | 18.74                     |
|  | -                         | <b>18.74</b>              |
| Less: Current maturities of long term borrowings | -                         | (18.74)                   |
|  | -                         | -                         |

Security: - Hire purchase finance is secured by hypothecation of respective vehicles/equipments.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 19 | LEASE LIABILITIES**

| Particulars                       | (₹ in Lakhs)              |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Lease Liabilities (Refer Note 44) | 483.84                    | 800.82                    |
|                                   | <b>483.84</b>             | <b>800.82</b>             |

**NOTE: 20 | OTHER FINANCIAL LIABILITIES**

| Particulars       | (₹ in Lakhs)              |                           |
|-------------------|---------------------------|---------------------------|
|                   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Security deposits | 16,669.37                 | 15,573.54                 |
|                   | <b>16,669.37</b>          | <b>15,573.54</b>          |

**NOTE: 21 | PROVISIONS**

| Particulars                                      | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Provision for employee benefits                  |                           |                           |
| - Gratuity (Refer Note 39)                       | 225.23                    | 157.02                    |
| - Leave Encashment                               | 403.08                    | 322.31                    |
| Provision for site restoration (refer Note 21.1) | 144.22                    | -                         |
|  | <b>772.53</b>             | <b>479.33</b>             |

Note 21.1: Provision for Site restoration has been created based on present value of estimated future cash outflow of site restoration expenses. Movement of provisions for site restoration during the year is as under :

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Opening Balance   | -                         | -                         |
| Add: Provision during the year                            | 134.25                    | -                         |
| less: Utilised during the year                            | -                         | -                         |
| Add: Unwinding of discount on site restoration provisions | 9.97                      | -                         |
| <b>Closing Balance</b>                                    | <b>144.22</b>             | <b>-</b>                  |

**NOTE: 22 | OTHER NON CURRENT LIABILITIES**

| Particulars                                 | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Deferred government grant (Refer note 22.1) | 727.18                    | 877.13                    |
|   | <b>727.18</b>             | <b>877.13</b>             |

**Note 22.1 : Movement of Government Grants**

| Particulars   | (₹ in Lakhs)  |  |   |  |
|---|---|--|---|--|
|   | Opening<br>balance as on<br>1st April, 2022<br>(Including<br>current portion) | Recognised<br>during the year<br>ended 31st<br>March, 2023 | Transfer to<br>Statement<br>of Profit and<br>Loss | Closing balance<br>as on 31st<br>March, 2023<br>(including<br>current portion) |
| Financial Assistance under Capital Investment subsidy scheme towards capital expenditure under North-East Industrial and Investment Promotion Policy, 2007. | 1046.83   | -  | 169.69  | 877.14   |

Note 22.2: There has been no unfulfilled conditions or any other contingencies with respect to above government grants.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 18B | BORROWINGS

| Particulars   | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Secured-Repayable on demand                                 |                           |                           |
| Working capital facilities from banks (Secured)             |                           |                           |
| - Cash credit   | 2,610.35                  | 519.04                    |
| Current maturities of long term borrowings (Refer note 18A) | -                         | 18.74                     |
|   | <b>2,610.35</b>           | <b>537.78</b>             |

Notes-

- Working capital facilities of ₹ 27.03 Lakhs (31st March, 2022: ₹ 139.42 Lakhs) from banks are secured by pari passu first charge on current assets of the Parent company's cement grinding unit at Guwahati, Assam. In the previous year, these working capital facilities were also guaranteed by some of the Directors of the Parent Company. (Refer Note 45)
- Working Capital facilities of ₹ 591.34 Lakhs (31st March, 2022: ₹ 195.43 Lakhs) from banks are secured by first pari passu charge on current assets of the Parent Company's manufacturing facility at Lumshnong, Meghalaya.
- Working capital facilities of ₹ 1,763.17 Lakhs (31st March 2022 ₹ 113.68 Lakhs) from a bank is secured by pari passu first charge on current assets and also in preceding financial year pari passu second charge on property, plant and equipment of the one of the subsidiary's cement clinker unit at Lumshnong, Meghalaya.
- Working Capital facilities of ₹ 228.81 Lakhs (31st March, 2022: ₹ 70.51 Lakhs) from a bank is secured by hypothecation of all current assets of the Parent Company's Siliguri Grinding Unit on first charge basis.
- The rate of interest for the above loan ranges between 6.60% to 9.20% (31st March, 2022 - 4.40% to 9.91%)

### NOTE: 23 | LEASE LIABILITIES

| Particulars                       | (₹ in Lakhs)              |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Lease liabilities (Refer Note 44) | 440.86                    | 226.63                    |
|                                   | <b>440.86</b>             | <b>226.63</b>             |

### NOTE: 24 | TRADE PAYABLES

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Total outstanding dues of micro enterprises and small enterprises                          | 942.31                    | 498.25                    |
| Total outstanding dues of trade payable other than micro enterprises and small enterprises | 27,261.93                 | 20,747.10                 |
|  | <b>28,204.24</b>          | <b>21,245.35</b>          |

#### Ageing of outstanding trade payables as on 31st March, 2023 from due date of payment

| Sr No | Particulars                              | (₹ in Lakhs) |          |                  |             |             |                   | Total     |
|-------|--|--------------|----------|------------------|-------------|-------------|-------------------|-----------|
|       |  | Unbilled due | Not Due  | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |           |
| (i)   | Undisputed - Micro and small enterprises | -            | 690.17   | 247.34           | 4.80        | -           | -                 | 942.31    |
| (ii)  | Undisputed - Others                      | 3,199.64     | 8,359.56 | 12,430.68        | 113.12      | 29.53       | 310.47            | 24,443.00 |
| (iii) | Disputed - Micro and small enterprises   | -            | -        | -                | -           | -           | -                 | -         |
| (iv)  | Disputed dues - Others                   | -            | -        | 2,818.93         | -           | -           | -                 | 2,818.93  |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 24 | TRADE PAYABLES (Contd.)**

Ageing of outstanding trade payables as on 31st March, 2022 from due date of payment

|       |  |              |          |                  |             |             |                   | (₹ in Lakhs) |
|-------|--|--------------|----------|------------------|-------------|-------------|-------------------|--------------|
| Sr No | Particulars                              | Unbilled due | Not Due  | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total        |
| (i)   | Undisputed - Micro and small enterprises | -            | 463.98   | 34.27            | -           | -           | -                 | 498.25       |
| (ii)  | Undisputed - Others                      | 2,060.93     | 6,019.11 | 10,648.98        | 211.43      | 104.85      | 334.45            | 19,379.75    |
| (iii) | Disputed - Micro and small enterprises   | -            | -        | -                | -           | -           | -                 | -            |
| (iv)  | Disputed dues - Others                   | -            | 1,367.35 | -                | -           | -           | -                 | 1,367.35     |

**NOTE: 25 | OTHER FINANCIAL LIABILITIES**

|   |                        |                        | (₹ in Lakhs) |  |
|---|------------------------|------------------------|--------------|--|
| Particulars                                 | As at 31st March, 2023 | As at 31st March, 2022 |              |  |
| Capital Creditors                           | 4,810.11               | 434.26                 |              |  |
| Discounts and incentives payable to dealers | 6,373.07               | 5,303.84               |              |  |
| Employee related liabilities                | 1,334.05               | 746.02                 |              |  |
| Retention money                             | 822.34                 | 407.37                 |              |  |
| Interest accrued but not due on borrowings  | -                      | 0.14                   |              |  |
| Unclaimed dividend (Refer note 25.1)        | 9.29                   | 12.50                  |              |  |
| Security deposit                            | 0.31                   | 0.31                   |              |  |
| Other liabilities (Refer note 25.2)         | 290.21                 | 1,758.14               |              |  |
|   | <b>13,639.38</b>       | <b>8,662.58</b>        |              |  |

Note 25.1 The same is not due for payment to Investor Education and Protection Fund as on the balance sheet date.

Note 25.2 Other Liabilities includes liability towards miscellaneous expenses and others.

**NOTE: 26 | OTHER CURRENT LIABILITIES**

|   |                        |                        | (₹ in Lakhs) |  |
|---|------------------------|------------------------|--------------|--|
| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |              |  |
| Statutory Liabilities   | 6,370.75               | 6,307.41               |              |  |
| Contract Liabilities - Advances from customer (Refer note 26.1) | 1,122.20               | 2,410.11               |              |  |
| Other liabilities   | 4.78                   | 2.58                   |              |  |
| Current portion of deferred government grant (Refer note 22.1)  | 149.96                 | 167.07                 |              |  |
|   | <b>7,647.69</b>        | <b>8,887.17</b>        |              |  |

Note 26.1: The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March, 2023

**NOTE: 27 | PROVISION**

|                                  |                        |                        | (₹ in Lakhs) |  |
|----------------------------------|------------------------|------------------------|--------------|--|
| Particulars                      | As at 31st March, 2023 | As at 31st March, 2022 |              |  |
| Provision for employee benefit : |                        |                        |              |  |
| - Leave encashment               | 91.22                  | 61.41                  |              |  |
| - Gratuity (Refer Note 39)       | 106.36                 | 117.45                 |              |  |
|                                  | <b>197.58</b>          | <b>178.86</b>          |              |  |

**NOTE: 28 | CURRENT TAX LIABILITIES (NET)**

|   |                        |                        | (₹ in Lakhs) |  |
|---|------------------------|------------------------|--------------|--|
| Particulars   | As at 31st March, 2023 | As at 31st March, 2022 |              |  |
| Provision for taxation (net of advance income tax and MAT credit of ₹ 13,921.79 Lakhs for 31st March, 2023 and ₹ 2,712.27 Lakhs for 31st March, 2022) | 109.42                 | 196.87                 |              |  |
|   | <b>109.42</b>          | <b>196.87</b>          |              |  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 29 | REVENUE FROM OPERATIONS

| Particulars              | (₹ in Lakhs)                           |  |
|--------------------------|--|--|
|                          | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Sale of products:        |  |  |
| Cement                   | 2,56,708.22                            | 2,08,386.19                            |
| Clinker                  | 10.18                                  | 538.51                                 |
| Power Sale               | 292.00                                 | 1.45                                   |
| Others                   | 544.73                                 | 93.76                                  |
|                          | <b>2,57,555.13</b>                     | <b>2,09,019.91</b>                     |
| Other operating income   |  |  |
| Sale of Scrap            | 390.41                                 | 213.77                                 |
| Incentives and subsidies | 12,539.14                              | 12,948.22                              |
|                          | <b>2,70,484.68</b>                     | <b>2,22,181.90</b>                     |

Note 29 a) Primary business of the Group is manufacturing and sale of Cement. All other activities of the Group are related to its primary business. The product shelf life being short, all sales are made at a point in time and the revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery.

Note 29 b) The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Group does not give a significant credit period resulting in no significant financing component. The normal credit period is 30 days.

Note 29 c) The Group operates within the geographical areas of India.

Note 29 d) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

| Particulars  | (₹ in Lakhs)                           |  |
|--|--|--|
|  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Revenue as per contract price                      | 2,83,117.70                            | 2,29,157.78                            |
| Discount and incentives                            | (25,562.57)                            | (20,137.87)                            |
| <b>Revenue as per statement of profit and loss</b> | <b>2,57,555.13</b>                     | <b>2,09,019.91</b>                     |

### NOTE: 30 | OTHER INCOME

| Particulars   | (₹ in Lakhs)                           |  |
|---|--|--|
|   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Interest income using the effective interest rate method:         |  |  |
| - on Bank deposits  | 2,936.11                               | 2,281.71                               |
| - on Interest on Loan   | 137.33                                 | 276.28                                 |
| - on Bonds  | 1,261.35                               | 754.40                                 |
| Gain on Fair Valuation of Non-Current Investment                  | 6.76                                   | 7.77                                   |
| Liability no longer required written back {Also refer note 43(c)} | 565.33                                 | -                                      |
| Miscellaneous income ( Refer note 30.1)                           | 301.39                                 | 17.01                                  |
|   | <b>5,208.27</b>                        | <b>3,337.17</b>                        |

Note 30.1: Includes refund of cement cess amounting to ₹108.22 Lakhs ( 31st March, 2022 : NIL )

### NOTE: 31 | COST OF MATERIALS CONSUMED

| Particulars                    | (₹ in Lakhs)                           |  |
|--------------------------------|--|--|
|                                | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Opening Stock                  | 4,725.04                               | 4,464.04                               |
| Add: Purchases during the year | 65,118.55                              | 54,804.39                              |
|                                | <b>69,843.59</b>                       | <b>59,268.43</b>                       |
| Less : Closing Stock           | 5,484.63                               | 4,725.04                               |
|                                | <b>64,358.96</b>                       | <b>54,543.39</b>                       |

Note 31.1 : Cost of material consumed includes freight expenses amounting to ₹ 28,880.85 Lakhs (31st March, 2022: ₹ 23,443.94 Lakhs) on internal transportation of clinker within the Group Companies.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 32 | CHANGES IN INVENTORIES OF FINISHED GOOD AND WORK-IN-PROGRESS**

(₹ in Lakhs)

| Particulars                               | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Work in progress:                         |  |  |
| Opening stock                             | 297.93                                 | 205.13                                 |
| Closing stock                             | 259.26                                 | 297.93                                 |
|   | 38.67                                  | (92.80)                                |
| Finished goods:                           |  |  |
| Opening stock                             | 3,137.67                               | 6,084.60                               |
| Closing stock                             | 4,962.66                               | 3,137.67                               |
|   | (1,824.99)                             | 2,946.93                               |
| <b>(Increase)/decrease in inventories</b> | <b>(1,786.32)</b>                      | <b>2,854.13</b>                        |

**NOTE: 33 | EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

| Particulars                                    | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Salaries & wages                               | 18,182.84                              | 14,727.36                              |
| Contribution to provident fund and other funds | 659.33                                 | 588.43                                 |
| Employees Welfare expenses                     | 745.15                                 | 619.22                                 |
|  | <b>19,587.32</b>                       | <b>15,935.01</b>                       |

Note 33.1 Employee Cost is inclusive of remuneration paid to Directors and Key management personnels (Refer note 45)

Note 33.2 Salaries & Wages expenses of ₹ 605.35 Lakhs (31st March, 2022- ₹ 36.88 Lakhs) related to employees deployed in project has been transferred to Capital Work-in-progress during the year.

**NOTE: 34 | FINANCE COSTS**

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| <b>Interest expense</b>                                  |  |  |
| - On borrowings (measured at amortised cost)             | 681.92                                 | 618.83                                 |
| - On lease liability                                     | 62.97                                  | 51.10                                  |
| - On unwinding of discount on site restoration provision | 9.97                                   | -                                      |
| - Others (refer note 34.1)                               | 30.47                                  | 416.89                                 |
| Other Borrowing costs                                    | 184.17                                 | 247.21                                 |
|  | <b>969.50</b>                          | <b>1,334.03</b>                        |

Note 34.1 Interest to others include interest on income tax ₹ 16.05 Lakhs ( 31st March, 2022- Nil)

Note 34.2 Interest of ₹ 191.74 Lakhs ( 31st March, 2022- Nil) is capitalised during the year as pre- operative expenses in Capital work in progress. The rate of interest capitalised is ranging from 6.60% to 9.20%

Note 34.3 Interest on lease liabilities amount to ₹ 0.62 Lakhs ( 31st March, 2022- Nil) is capitalised during the year as pre- operative expenses in Capital work in progress.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 35 | DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars                                    | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Depreciation on property, plant and equipments | 12,730.19                              | 11,888.30                              |
| Depreciation on right-of-use- assets           | 251.92                                 | 258.56                                 |
| Amortisation of intangible Assets              | 129.11                                 | 16.09                                  |
|  | <b>13,111.22</b>                       | <b>12,162.95</b>                       |

Note 35.1 : Depreciation on property, plant and equipments is net off amortisation of Government Grant of ₹ 169.69 Lakhs as at 31st March, 2023 and ₹ 212.40 Lakhs as at 31st March, 2022.

Note 35.2 Depreciation of ₹ 180.23 Lakhs ( 31st March, 2022 - ₹ 6.08 Lakhs) is capitalised as pre-operative expenses in capital work in progress.

Note 35.3: Amortisation of intangible assets of ₹ 0.40 Lakhs ( 31st March, 2022 ₹ Nil) is capitalised as pre-operative expenses in capital work in progress.

Note 35.4: Amortisation of right-of-use- assets of ₹ 1.67 Lakhs (31st March, 2022 - ₹ Nil) is capitalised as Pre-operative expenses in capital work in progress.

### NOTE: 36 | OTHER EXPENSES

(₹ in Lakhs)

| Particulars                                      | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Consumption of stores & spares                   | 839.94                                 | 759.21                                 |
| Packing Materials                                | 8,595.83                               | 7,989.31                               |
| Repairs & Maintenance                            |  |  |
| - Building                                       | 309.93                                 | 601.75                                 |
| - Plant & Machinery                              | 3,803.89                               | 3,090.84                               |
| - Others   | 1,448.83                               | 736.68                                 |
| Heavy Vehicle / Equipment Running Expenses       | 1,978.42                               | 799.11                                 |
| Rent   | 272.52                                 | 371.83                                 |
| Travelling and Conveyance                        | 1,082.00                               | 866.90                                 |
| Insurance  | 487.75                                 | 338.43                                 |
| Rates & Taxes                                    | 497.72                                 | 128.00                                 |
| Research & Development Expenses                  | 22.74                                  | 52.31                                  |
| Charity & Donation (Refer note 36.1)             | 913.14                                 | 1,147.03                               |
| Allowance for credit losses on trade receivables | 204.73                                 | 16.42                                  |
| Professional & Consultancy fees                  | 3,056.75                               | 2,203.54                               |
| Miscellaneous Expenses                           | 4,374.61                               | 3,648.85                               |
| CSR Expenses                                     | 850.29                                 | 953.81                                 |
| Advertisement & Publicity                        | 3,423.62                               | 4,380.59                               |
| Sales Promotion Expenses                         | 1,259.10                               | 801.54                                 |
| Brokerage & Commission                           | 1,676.39                               | 1,333.42                               |
|  | <b>35,098.20</b>                       | <b>30,219.57</b>                       |

#### 36.1: Donation to political parties

(₹ in Lakhs)

| Particulars                   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|-------------------------------|--|--|
| Donation to Political Parties | -                                      | 500.00                                 |
|                               | -                                      | <b>500.00</b>                          |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 37 | INCOME TAX EXPENSE**

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| <b>(a) Current tax</b>                             |  |  |
| Current tax on profits for the year                | 6,721.57                               | 3,951.72                               |
| <b>Total current tax expense</b>                   | <b>6,721.57</b>                        | <b>3,951.72</b>                        |
| <b>(b) Deferred tax</b>                            |  |  |
| Deferred tax                                       | 7,244.51                               | (4,261.39)                             |
| <b>Total deferred income tax expense/(benefit)</b> | <b>7,244.51</b>                        | <b>(4,261.39)</b>                      |
| <b>(c) Tax in respect of earlier years</b>         | <b>(759.74)</b>                        | <b>(2.46)</b>                          |
| <b>Tax expenses</b>                                | <b>13,206.34</b>                       | <b>(312.13)</b>                        |

**37.1 Reconciliation of tax expense and the accounting profit multiplied by Corporate tax rate:**

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Profit before tax  | 37,966.75                              | 24,365.35                              |
| <b>Tax at the Corporate tax rate of 34.944% (31st March, 2022 - 34.944%)</b> | <b>13,267.10</b>                       | <b>8,514.23</b>                        |
| Items not deductible under Income Tax Act, 1961                              | 285.28                                 | 112.29                                 |
| Effect of allowances/ tax holidays for tax purpose                           | (50.39)                                | (8,347.90)                             |
| Difference in tax rates of subsidiaries                                      | -                                      | (1.36)                                 |
| Related to earlier years   | (759.74)                               | (2.46)                                 |
| Others   | 464.09                                 | (586.93)                               |
| <b>Tax expenses</b>  | <b>13,206.34</b>                       | <b>(312.13)</b>                        |

Note 37.2: The Corporate Tax Rate used for the year 2022-23 and 2021-22 for above reconciliation is 34.944% ( 30%+ surcharge @12% + education cess @4% ) payable on taxable profits under the Income Tax Act, 1961.

Note 37.3: During the year, the Group has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 ( such as search or survey or any other relevant provision of the Income tax Act, 1961 ). Accordingly, there are no transactions which are not recorded in the books of accounts.

Note 37.4: The tax holiday period enjoyed by Group's Guwahati Grinding Unit and its subsidiary, Star Cement Meghalaya Limited (SCML) u/s 801E of income Tax Act, 1961 has ended in the financial year 2021-22 leading to an overall increase in the Group's tax expenditure.

**NOTE: 38A | COMPONENTS OF OTHER COMPREHENSIVE INCOME**

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Items that will not be reclassified to Statement of Profit and Loss: |  |  |
| Remeasurement of defined benefit plans                               | 48.02                                  | (25.46)                                |
| Equity Instrument through Other Comprehensive Income                 | 1.62                                   | 3.51                                   |
|  | <b>49.64</b>                           | <b>(21.95)</b>                         |

**NOTE: 38B | EARNINGS PER SHARE**

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| (i) Profit attributable to equity holders of the Company used in calculating basic and diluted earning per share | 24,760.41                              | 24,677.48                              |
| (ii) Weighted average number of equity shares used as the denominator in calculating basic earnings per share    | 40,41,80,417                           | 40,85,87,193                           |
| (iii) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share | 40,41,80,417                           | 40,85,87,193                           |
| (iv) Earning per share ( in ₹ ):   |  |  |
| Face value of Equity shares  | 1.00                                   | 1.00                                   |
| Basic  | 6.13                                   | 6.04                                   |
| Diluted  | 6.13                                   | 6.04                                   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 39 EMPLOYEES BENEFITS

#### (a) 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.

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, 2021</b>   | <b>886.34</b>               | <b>(273.93)</b>           | <b>612.41</b> |
| Current service cost   | 103.91                      | -                         | 103.91        |
| Interest expense/(income)  | 60.82                       | (33.09)                   | 27.73         |
| <b>Total amount recognised in profit or loss</b>                               | <b>164.73</b>               | <b>(33.09)</b>            | <b>131.64</b> |
| Remeasurements:  |                             |                           |               |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | 8.57                      | 8.57          |
| Actuarial (gain)/loss from change in financial assumptions                     | (6.18)                      | -                         | (6.18)        |
| Actuarial (gain)/loss from unexpected experience                               | 23.03                       | -                         | 23.03         |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>16.85</b>                | <b>8.57</b>               | <b>25.46</b>  |
| Employer contributions/ premium paid   | -                           | (495.00)                  | (495.00)      |
| Benefit paid   | (74.00)                     | 74.00                     | -             |
| <b>31st March, 2022</b>  | <b>993.92</b>               | <b>(719.45)</b>           | <b>274.47</b> |

| (₹ in Lakhs)   |                             |                           |                |
|--|-----------------------------|---------------------------|----------------|
| Particulars  | Present value of obligation | Fair value of plan assets | Net amount     |
| <b>1st April, 2022</b>   | <b>993.92</b>               | <b>(719.45)</b>           | <b>274.47</b>  |
| Current service cost   | 109.83                      | -                         | 109.83         |
| Interest expense/(income)  | 53.05                       | (47.74)                   | 5.31           |
| <b>Total amount recognised in profit or loss</b>                               | <b>162.88</b>               | <b>(47.74)</b>            | <b>115.14</b>  |
| Remeasurements:  |                             |                           |                |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | 0.33                      | 0.33           |
| Actuarial (gain)/loss from change in financial assumptions                     | 4.43                        | -                         | 4.43           |
| Actuarial (gain)/loss from unexpected experience                               | (52.78)                     | -                         | (52.78)        |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>(48.35)</b>              | <b>0.33</b>               | <b>(48.02)</b> |
| Employer contributions/ premium paid   | -                           | (10.00)                   | (10.00)        |
| Benefit paid   | (95.86)                     | 95.86                     | -              |
| <b>31st March, 2023</b>  | <b>1,012.59</b>             | <b>(681.00)</b>           | <b>331.59</b>  |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 39 | EMPLOYEES BENEFITS (Contd.)**
**Net asset / (liability) recognised in the balance sheet**

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| Present value of Defined Benefit Obligation         | 1,012.59                  | 993.92                    |
| Fair Value of Plan Assets                           | (681.00)                  | (719.45)                  |
| <b>Net Asset / (Liability) in the Balance Sheet</b> | <b>331.59</b>             | <b>274.47</b>             |
| Current Asset/(liability)                           | 106.36                    | 117.45                    |
| Non-Current Asset/(liability)                       | 225.23                    | 157.02                    |

**(ii) Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows:

| Particulars                   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|-------------------------------|---------------------------|---------------------------|
| Discount rate                 | 7.40%                     | 7.10%                     |
| Expected return on plan asset | 7.40%                     | 7.10%                     |
| Salary growth rate            | 6.00%                     | 6.00%                     |
| Withdrawal rate               | 1% to 8%                  | 1% to 8%                  |
| Mortality rate                | IALM (2012-14)<br>Table   | IALM (2012-14)<br>Table   |

**(iii) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lakhs)

| Particulars                 | Impact on defined benefit obligation |            |                        |          |
|-----------------------------|--------------------------------------|------------|------------------------|----------|
|                             | As at 31st March, 2023               |            | As at 31st March, 2022 |          |
|                             | Increase                             | Decrease   | Increase               | Decrease |
| Discount rate (-/+ 1%)      | (930.02)                             | 1,101.83   | (783.76)               | 676.01   |
| Salary growth rate (-/+ 1%) | 1,098.96                             | (930.26)   | 933.70                 | (568.29) |
| Withdrawal rate (-/+ 1%)    | 1,017.76                             | (1,000.86) | 861.91                 | (612.24) |

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 39 | EMPLOYEES BENEFITS (Contd.)

#### (iv) The major categories of plan assets

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. Thus the composition of each major category of plan assets has not been disclosed.

| Major Categories of Plan Assets as a percentage of total plan assets | Gratuity (Funded) |                  |
|--|-------------------|------------------|
|  | 31st March, 2023  | 31st March, 2022 |
| 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 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.

#### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2024 are ₹ 176.50 Lakhs. (31st March, 2023 : ₹ 123.86 Lakhs)

The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

| Particulars      | Less than a year | Between 1- 5 years | Over 5 years |
|------------------|------------------|--------------------|--------------|
| 31st March, 2023 | 108.16           | 110.25             | 374.50       |
| 31st March, 2022 | 117.45           | 301.37             | 396.84       |

#### b) Defined Contribution Plan:

In respect of defined contribution plan, with respect to provident fund contribution and pension fund contribution, an amount of ₹ 483.61 Lakhs (31st March, 2022: ₹ 424.87 Lakhs) has been recognised as expenses in the Consolidated statement of Profit and loss during the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 40 | CAPITAL MANAGEMENT

#### Risk management

The primary objective of capital management is to ensure the maintenance of healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31st March, 2023 as compared to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported year. The Group monitors capital structure on the basis of debt to equity ratio. For the purpose of Group's capital management, equity includes paid up equity share capital and other equity, and debt comprises long and short term borrowings including current maturities of these borrowings. The following table summarises long term debt and equity of the Group.

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| Long term Borrowings                                    | -                         | -                         |
| Short-term Borrowings                                   | 2,610.35                  | 537.78                    |
| Less: Cash and Cash equivalent                          | 12,162.23                 | 807.55                    |
| Less: Bank balances Other than Cash and Cash equivalent | 19,012.06                 | 37,659.17                 |
| <b>Net Debt</b>   | <b>(28,563.94)</b>        | <b>(37,928.94)</b>        |
| Total Equity  | 2,41,637.56               | 2,16,843.40               |
| <b>Capital and net debt</b>                             | <b>2,13,073.62</b>        | <b>1,78,914.46</b>        |
| Gearing ratio   | -                         | -                         |

To maintain or adjust the capital structure, the Group review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

### NOTE: 41 | FINANCIAL INSTRUMENTS BY CATEGORY

(₹ in Lakhs)

| Particulars                                     | As at 31st March, 2023 |   |   |                  | As at 31st March, 2022 |   |   |                  |
|---|------------------------|---|---|------------------|------------------------|---|---|------------------|
|   | Amortised cost         | Fair Value through Profit or Loss (FVTPL) | Fair Value through Other comprehensive Income (FVOCI) | Carrying Amount  | Amortised cost         | Fair Value through Profit or Loss (FVTPL) | Fair Value through Other comprehensive Income (FVOCI) | Carrying Amount  |
| <b>Financial assets</b>                         |                        |   |   |                  |                        |   |   |                  |
| (i) Investments                                 | 17,069.06              | 153.20                                    | 32.67   | 17,254.93        | 16,549.25              | 146.45                                    | 31.05   | 16,726.75        |
| (ii) Loans                                      | 1,730.70               | -   | -   | 1,730.70         | 3,409.77               | -   | -   | 3,409.77         |
| (iii) Trade receivables                         | 10,469.11              | -   | -   | 10,469.11        | 12,874.92              | -   | -   | 12,874.92        |
| (iv) Cash and cash equivalents                  | 12,162.23              | -   | -   | 12,162.23        | 807.55                 | -   | -   | 807.55           |
| (v) Balance with banks { Other than (iv) above} | 19,012.06              | -   | -   | 19,012.06        | 37,659.17              | -   | -   | 37,659.17        |
| (vi) Other financial assets                     | 9,431.11               | -   | -   | 9,431.11         | 25,559.01              | -   | -   | 25,559.01        |
|   | <b>69,874.27</b>       | <b>153.20</b>                             | <b>32.67</b>  | <b>70,060.14</b> | <b>96,859.67</b>       | <b>146.45</b>                             | <b>31.05</b>  | <b>97,037.17</b> |
| <b>Financial liabilities</b>                    |                        |   |   |                  |                        |   |   |                  |
| (i) Borrowings                                  | 2,610.35               | -   | -   | 2,610.35         | 537.78                 | -   | -   | 537.78           |
| (ii) Security deposit                           | 16,669.37              | -   | -   | 16,669.37        | 15,573.54              | -   | -   | 15,573.54        |
| (iii) Trade payables                            | 28,204.24              | -   | -   | 28,204.24        | 21,245.35              | -   | -   | 21,245.35        |
| (iv) Lease Liabilities                          | 924.70                 | -   | -   | 924.70           | 1,027.45               | -   | -   | 1,027.45         |
| (v) Other financial liabilities                 | 13,639.38              | -   | -   | 13,639.38        | 8,662.58               | -   | -   | 8,662.58         |
|   | <b>62,048.04</b>       | <b>-</b>                                  | <b>-</b>  | <b>62,048.04</b> | <b>47,046.70</b>       | <b>-</b>                                  | <b>-</b>  | <b>47,046.70</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 41 | FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)

#### (i) Fair value hierarchy

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

**Level 1:** This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

**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

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, trade receivables and payables, short-term loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the Group.
- Investments traded in the active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of bonds where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on historical net asset value as per the latest audited financial statements after considering the impact of fair valuation of immovable properties which is based on valuation report from independent valuer.

#### (iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

| Particulars                                  | As at 31st March, 2023 |          |               | As at 31st March, 2022 |          |               |
|--|------------------------|----------|---------------|------------------------|----------|---------------|
|  | Level 1                | Level 2  | Level 3       | Level 1                | Level 2  | Level 3       |
| <b>Financial assets</b>                      |                        |          |               |                        |          |               |
| Investment in equity instruments (Quoted )   | 0.87                   | -        | -             | 1.18                   | -        | -             |
| Investment in equity instruments ( Unquoted) | -                      | -        | 185.00        | -                      | -        | 176.32        |
| <b>Total financial assets</b>                | <b>0.87</b>            | <b>-</b> | <b>185.00</b> | <b>1.18</b>            | <b>-</b> | <b>176.32</b> |

During the reporting period ending 31st March, 2023 and 31st March, 2022, there was no transfer between level 1 and level 2 fair value measurement.

The carrying amount of Cash and cash equivalents, Bank balances (other than cash and cash equivalents), investment in bonds, security deposits, loans and other financial assets, trade receivables, trade payables, security deposits and retention money and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 41 | FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)**
**(iv) Fair value of financial assets and liabilities measured at amortised cost**

(₹ in Lakhs)

| Particulars                                     | As at 31st March, 2023 |                  | As at 31st March, 2022 |                  |
|---|------------------------|------------------|------------------------|------------------|
|   | Carrying amount        | Fair value       | Carrying amount        | Fair value       |
| <b>Financial assets</b>                         |                        |                  |                        |                  |
| (i) Investments                                 | 17,069.06              | 17,186.23        | 16,549.25              | 16,702.79        |
| (ii) Loans                                      | 1,730.70               | 1,730.70         | 3,409.77               | 3,409.77         |
| (iii) Trade receivables                         | 10,469.11              | 10,469.11        | 12,874.92              | 12,874.92        |
| (iv) Cash and cash equivalents                  | 12,162.23              | 12,162.23        | 807.55                 | 807.55           |
| (v) Balance with banks { Other than (iv) above} | 19,012.06              | 19,012.06        | 37,659.17              | 37,659.17        |
| (vi) Other financial assets                     | 9,431.11               | 9,431.11         | 25,559.01              | 25,559.01        |
|   | <b>69,874.27</b>       | <b>69,991.44</b> | <b>96,859.67</b>       | <b>97,013.21</b> |
| <b>Financial liabilities</b>                    |                        |                  |                        |                  |
| (i) Borrowings                                  | 2,610.35               | 2,610.35         | 537.78                 | 537.78           |
| (ii) Security deposits                          | 16,669.37              | 16,669.37        | 15,573.54              | 15,573.54        |
| (iii) Trade payables                            | 28,204.24              | 28,204.24        | 21,245.35              | 21,245.35        |
| (iv) Lease Liabilities                          | 924.70                 | 924.70           | 1,027.45               | 1,027.45         |
| (v) Other financial liabilities                 | 13,639.38              | 13,639.38        | 8,662.58               | 8,662.58         |
|   | <b>62,048.04</b>       | <b>62,048.04</b> | <b>47,046.70</b>       | <b>47,046.70</b> |

**(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 41 (ii).

**NOTE: 42 | 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:

**(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) and from its financing activities including deposits placed with banks and financial institution and other financial instruments.

**i) Trade receivables**

Customer credit risk is managed by each business unit as per the Group's established policies, procedures and defined 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 deposits from its customers which mitigates the credit risk. No single customer accounted for 10% or more of the Group's net sales. Therefore, the Group does not expect any material risk on account of non-performance by any of its counterparties. For expected credit loss as at each reporting date the Group assesses position of the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. For trade receivables, the Group compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall. The following table summarises the change in the loss allowances measured using simplified approach model expected credit loss assessment:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 42 | FINANCIAL RISK MANAGEMENT (Contd.)

|                               | (₹ in Lakhs)  |
|-------------------------------|---------------|
| <b>As at 1st April, 2021</b>  | <b>132.12</b> |
| Provided during the year      | 16.47         |
| Reversal of Provision         | -             |
| <b>As at 31st March, 2022</b> | <b>148.59</b> |
| Provided during the year      | 204.73        |
| Reversal of Provision         | -             |
| <b>As at 31st March, 2023</b> | <b>353.32</b> |

#### ii) Financial instruments and deposits

Credit risk pertaining to balances with banks and financial institutions is managed by the Group's treasury department in accordance with its policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the respective Company's Board of Directors. Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Group result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans & interest thereon and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as at 31st March, 2023 and 31st March, 2022 is the carrying amounts as illustrated in Note 41.

#### (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:

| Particulars  | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Floating Rate  |                           |                           |
| - Expiring within one year (bank overdraft and other facilities) | 13,989.71                 | 20,080.96                 |
|  | <b>13,989.71</b>          | <b>20,080.96</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 Indian rupee (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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 42 | FINANCIAL RISK MANAGEMENT (Contd.)**

| (₹ in Lakhs)  |                  |                      |                   |                  |
|---|------------------|----------------------|-------------------|------------------|
| Contractual maturities of financial liabilities - 31st March, 2023* | Less than 1 year | Between 1 to 5 years | More than 5 years | Total            |
| Borrowings  | 2,610.35         | -                    | -                 | 2,610.35         |
| Trade payables  | 28,204.24        | -                    | -                 | 28,204.24        |
| Lease Liabilities   | 554.48           | 400.54               | 176.09            | 1,131.11         |
| Other payables  | 13,639.38        | -                    | -                 | 13,639.38        |
| <b>Total financial liabilities</b>                                  | <b>45,008.45</b> | <b>400.54</b>        | <b>176.09</b>     | <b>45,585.08</b> |

| (₹ in Lakhs)  |                  |                      |                   |                  |
|---|------------------|----------------------|-------------------|------------------|
| Contractual maturities of financial liabilities - 31st March, 2022* | Less than 1 year | Between 1 to 5 years | More than 5 years | Total            |
| Borrowings  | 537.78           | -                    | -                 | 537.78           |
| Trade payables  | 21,245.35        | -                    | -                 | 21,245.35        |
| Lease Liabilities   | 252.03           | 490.65               | 388.16            | 1,130.84         |
| Other payables  | 8,662.58         | -                    | -                 | 8,662.58         |
| <b>Total financial liabilities</b>                                  | <b>30,697.74</b> | <b>490.65</b>        | <b>388.16</b>     | <b>31,576.55</b> |

\*Security deposits liability has not been included in the above maturity profile as the repayment of the same cannot be 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's liability towards trade or other payables denominated in foreign currency. In view of low proportion of import, as compared to the overall operations, the exposure of the Group to foreign exchange risk is insignificant and thus Group does not enter into any derivative financial contracts. Foreign currency denominated balances lying in the books of accounts as on 31st March, 2023 and 31st March, 2022 are as follows:

**Foreign currency risk exposure**

The Group's exposure to foreign currency (EURO) risk at the end of the reporting period expressed in INR are as follows:-

| (₹ in Lakhs)                                 |                  |                        |                        |
|--|------------------|------------------------|------------------------|
| Currency                                     | Nature           | As at 31st March, 2023 | As at 31st March, 2022 |
| EURO   | Letter of Credit | 5,111.39               | -                      |
| <b>Net exposure to foreign currency risk</b> |                  | <b>5,111.39</b>        | <b>-</b>               |

**Sensitivity**

Profit or loss is sensitive to higher/lower change as a result of changes in foreign exchange fluctuation as below:

| Particulars   | Impact on profit before tax         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
| <b>Sensitivity</b>  |                                     |                                     |
| Foreign exchange fluctuation – Strengthening of ₹ by 5% * | (255.57)                            | -                                   |
| Foreign exchange fluctuation – Weakening of ₹ by 5%*      | 255.57                              | -                                   |

\* Holding all other variables constant

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 42 | FINANCIAL RISK MANAGEMENT (Contd.)

#### (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 Group's debt obligations with floating interest rates.

The Group's main interest rate risk arises from Short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31st March, 2023 and 31st March, 2022, the Group's borrowings at variable rate were denominated in Indian rupee (INR).

The Group's Deposit taken from dealers is at fixed rate and measured 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)              |                           |
|--------------------------|---------------------------|---------------------------|
|                          | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| Variable rate borrowings | 2,610.35                  | 519.04                    |
| Fixed rate borrowings    | -                         | 18.74                     |
| <b>Total borrowings</b>  | <b>2,610.35</b>           | <b>537.78</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               |   |
|   | For the year<br>ended 31st<br>March, 2023 | For the year<br>ended 31st<br>March, 2022 |
| Interest expense rates – increase by 50 basis points* | (13.05)                                   | (2.60)                                    |
| Interest expense rates – decrease by 50 basis points* | 13.05                                     | 2.60                                      |

\* Interest rate sensitivity has been calculated assuming the borrowing outstanding at the reporting date have been outstanding for the entire period

#### (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 Group in equity securities and classified in the Balance Sheet as at fair value through profit and loss and fair value through 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 respective Company's Board of Directors reviews and approves all investment decisions.

#### Sensitivity

The table below summarises the impact of increases/decreases of the investment in Group equity securities:

| Particulars     | (₹ in Lakhs)                           |  |
|-----------------|--|--|
|                 | Impact on total comprehensive income   |  |
|                 | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
| Increase by 5%* | 9.29                                   | 8.87                                   |
| Decrease by 5%* | (9.29)                                 | (8.87)                                 |

\* Holding all other variables constant

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 43 | CONTINGENT LIABILITY & COMMITMENTS**
**i) Contingent Liability**

(₹ in Lakhs)

| Sl. No | Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--------|---|---------------------------|---------------------------|
| 1      | Claims against the Group not acknowledge as debts : |                           |                           |
|        | - Income tax demand                                 | 2,535.70                  | 5,523.03                  |
|        | - Excise duty demand {Refer note 43 (a)}            | 873.82                    | 893.79                    |
|        | - Royalty & cess demand {Refer note 43 (b)}         | 25,681.91                 | 25,681.91                 |
|        | - Royalty & cess demand {Refer note 43 (c)}         | 9,639.23                  | -                         |
|        | - Demand on Custom Duty {Refer note 43 (d)}         | 426.33                    | 391.38                    |
|        | - Service tax demand                                | 651.08                    | 651.08                    |
|        | - Goods & service tax demand                        | 3,558.18                  | 3,537.21                  |
|        | - Others  | 216.89                    | 247.14                    |
|        |   | <b>43,583.14</b>          | <b>36,925.54</b>          |

**ii) Commitments**

(₹ in Lakhs)

| Sl. No | Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--------|--|---------------------------|---------------------------|
| 1      | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 50,371.69                 | 12,057.16                 |
| 2      | Bank Guarantees issued by bank   | 9,738.16                  | 12,747.32                 |
| 3      | Letters of credit issued by bank   | 6,369.40                  | 856.51                    |

**Note:** Based on legal opinion / decisions in similar cases, the Group believes that the Group has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

- 43 a) On the basis of the direction of the Hon'ble High Court of Meghalaya dated 30-08-2018 following the decision of the Hon'ble Supreme Court dated 10th November, 2017 passed in SRD Nutrients Private Limited Vs. Commissioner of Central Excise, Guwahati, Parent Company along with one of its subsidiary has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 810.23 Lakhs in earlier years. However, the Apex court vide its order dated 06-12-2019 has 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 30th August, 2018, has attained its finality and the refund was granted accordingly, the Parent Company has preferred a writ petition before the Hon'ble Meghalaya High Court against the above demand letter. Hon'ble Meghalaya High Court has stayed the said demand vide its order dated 16th June, 2020. The final hearing of the case is yet to be conducted before the Hon'ble Meghalaya High Court. Based on the legal advice obtained by the Company from an External Counsel and based on its own assessment there is every likelihood that the said demand shall be quashed and therefore no provision has been taken in the books of account.
- 43 b) In respect of demand notice dated 19th February, 2020 received by the Group 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 17th January, 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 43 | CONTINGENT LIABILITY & COMMITMENTS (Contd.)

neither the Group has 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 17th January, 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 Hon'ble Supreme Court of India against the NGT Order. The Hon'ble Supreme Court in its Order dated 2nd May, 2023 has set aside the Order of NGT and remand back the same to NGT for its further considerations and accordingly, no provisions has been made in the accounts.

- 43 c) During the year the Group has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards outstanding dues of royalty & Cess on Coal, Limestone, Sandstone, Clay and Shale procured/consumed by the Group in certain specific periods between FY 09-10 to FY 22-23 amounting to ₹ 12,058.73 Lakhs (including ₹ 7,202.85 Lakhs towards Penal Interest). As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/ consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence, there is no obligation of the Group to pay royalty/ cess in case the minerals are procured from third party vendors. However, as an abundant precaution, the Group has kept liability towards Royalty & Cess on above mineral products amounting to ₹ 2,419.50 Lakhs (after write back of excess liability (net) of ₹ 264.32 Lakhs, during the year). Since the liability to pay royalty & Cess itself is not applicable to the Group, hence provision for differential amount of demand amounting to ₹ 2,436.38 Lakhs and penal interest amounting to ₹ 7,202.85 Lakhs has not been provided and shown as contingent liability. The Group shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favor of the Group.
- 43 d) During the year, the Commissioner of Customs (Port)- Kolkata issued a demand cum show cause notice (D&SCN) dated 22nd October, 2022 to one of subsidiary company for differential Custom duty amounting to ₹ 403.82 Lakhs & Interest & penalties thereon (as applicable) for non-fulfilment of export obligations (EO) against Import of Capital goods in the year 2009 to 2011 under four EPCG licenses as per Export Promotion Capital Goods (EPCG) scheme. Earlier during the year on 26th April 2022, the Deputy Director, DRI, Shillong Regional Unit had also seized certain machineries of the such subsidiary company valuing ₹ 5,027.01 Lakhs alleging non-fulfilment of EO as above and later allowed to continue using the seized machineries. By the said D&SCN, the subsidiary company has been asked to show cause as to why the seized imported machineries as above should not be confiscated and why differential Custom duty foregone shall not be demanded along with applicable interest & penalties. The D&SCN as above also disputed the EO fulfilled by the subsidiary company against two EPCG licenses either by itself or through its Group Company in earlier years. In its reply to the Commissioner of Customs (Port)- Kolkata, the subsidiary company has claimed that it has fulfilled all its EO as required against all the four EPCG licenses and further paid the differential custom duty & interest thereon where there was shortfall in fulfilling the EO and hence the said demand is not tenable. The subsidiary company has further stated that fulfilment of EO through the group Company was well within the ambit of Foreign Trade Policy. The Group firmly believes that it has a good case in this matter and hence no provision has been made in the books of accounts.

Further in the previous year, Additional Director General of Foreign Trade, Guwahati had imposed a penalty of ₹ 311.56 Lakhs on the similar grounds as above in case of one EPCG license. On its appeal before Director General of Foreign Trade, Delhi (DGFT), DGFT in its order dated 8th August, 2022 has remanded back the matter to Regional Authority, Guwahati for de-novo consideration and the subsidiary company has not received any further communication in this regard.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 44 | LEASE**

- a. The Group has entered into agreements for taking on lease certain offices / warehouses on lease and license basis. The lease term is for a period ranging from 2 to 9 years, on fixed rental basis with escalation clauses in the lease agreements. In addition to the above, the Group has certain leasehold land under finance lease arrangements for terms of 99 years which has been reclassified from Freehold land and site development to right of use assets.
- b. The Group also has certain leases of buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- c. Lease liabilities are recognised at weighted average incremental borrowing rate of 4.76% to 8.81% . Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the year.

**d. Movement of lease liabilities**

(₹ in Lakhs)

| Particulars                                      | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>Opening balance</b>                           | 1,027.45                  | 287.16                    |
| Additions  | 188.55                    | 1,130.50                  |
| Deletions  | (62.00)                   | (145.17)                  |
| Add: Interest recognised during the year         | 62.97                     | 51.10                     |
| Add: Amount transfer to Capital work in progress | 0.62                      | -                         |
| Less: Payments made                              | (292.89)                  | (296.14)                  |
| <b>Closing balance</b>                           | <b>924.70</b>             | <b>1,027.45</b>           |
| <b>Non Current Lease Liability</b>               | <b>483.84</b>             | <b>800.82</b>             |
| <b>Current Lease Liability</b>                   | <b>440.86</b>             | <b>226.63</b>             |

**e. Amount recognised in Profit or Loss**

(₹ in Lakhs)

| Particulars                                 | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Interest expense on lease liabilities       | 62.97                                  | 51.10                                  |
| Depreciation expense of right-of-use assets | 251.92                                 | 258.56                                 |

**f. Amount transferred to CWIP**

(₹ in Lakhs)

| Particulars                                 | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Interest expense on lease liabilities       | 0.62                                   | -                                      |
| Depreciation expense of right-of-use assets | 1.67                                   | -                                      |

**g. Future payment of lease liabilities on an undiscounted basis**

(₹ in Lakhs)

| Particulars                                 | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| Less than one year                          | 554.48                    | 252.03                    |
| One to two years                            | 180.49                    | 210.68                    |
| Two to five years                           | 220.05                    | 279.97                    |
| More than five years                        | 176.09                    | 388.16                    |
| <b>Total undiscounted Lease Liabilities</b> | <b>1131.11</b>            | <b>1130.84</b>            |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 45 | RELATED PARTY DISCLOSURES

| A | Names of the related parties  | Nature of relationship  |
|---|---|---|
|   | <b>I. Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel :</b> |   |
|   | Century Plyboards (India) Limited (CPIL)  | Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel |
|   | Profound Cement Works Limited (PCWL)  |   |
|   | Nefa Udyog (NU)   |   |
|   | Century LED Limited (CLL)   |   |
|   | Namchic Tea Estate Private Limited (NTEPL)  |   |
|   | Shyam Sel & Power Limited (SSPL)  |   |
|   | Shyam Century Ferrous Limited (SCFL)  |   |
|   | <b>II. Key Management Personnel</b>   |   |
|   | Mr. Sajjan Bhajanka   | Chairman & Managing Director & CEO ( CEO w.e.f 1st February,2022)   |
|   | Mr. Rajendra Chamaria   | Vice Chairman & Managing Director   |
|   | Mr. Sanjay Agarwal  | Managing Director   |
|   | Mr. Prem Kumar Bhajanka   | Director upto 12th August, 2021; Managing Director (w.e.f 13th August, 2021)  |
|   | Mr. Pankaj Kejriwal   | Whole Time Director & Chief Operating Officer(COO) ( w.e.f 1st February, 2022 and upto 19th May, 2023), Executive Director (w.e.f 19th May, 2023) |
|   | Mr. Deepak Singhal  | Director (w.e.f 29th June, 2022)  |
|   | Mr. Brij Bhushan Agarwal  | Director (w.e.f 1st February, 2022)   |
|   | Mrs. Plistina Dkhar   | Director  |
|   | Mr. Amit Kiran Deb  | Director  |
|   | Mrs. Ibaridor Katherine War   | Director  |
|   | Mr. Nirmalya Bhattacharya   | Director (w.e.f 1st February, 2022)   |
|   | Mr. Santanu Ray   | Director (upto 31st March, 2022)  |
|   | Mr. Pramod Kumar Shah   | Director ( upto 31st March, 2023)   |
|   | Mr. Sanjay kumar Gupta  | Chief Executive Officer (upto 31st January, 2022 )  |
|   | Mr. Vivek Chawla  | Independent Director (w.e.f 1st April, 2023)  |
|   | Mr. Ramit Budhreja  | Independent Director (w.e.f 1st May, 2023)  |
|   | Mr. Jagdish Chandra Toshniwal   | Independent Director (w.e.f 1st April, 2023)  |
|   | Mr. Manoj Agarwal   | Chief Financial Officer (CFO)   |
|   | Mr. Debabrata Thakurta  | Company Secretary (CS)  |
|   | <b>III. Key Management Personnel and their close family members</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   |
|   | Mr. Tushar Bhajanka   | Son of Mr. Prem Kumar Bhajanka, Managing Director   |
|   | Mrs. Renu Chamaria  | Spouse of Mr. Rajendra Chamaria, Vice Chairman & Managing Director  |
|   | Rahul Chamaria (HUF)  | HUF of Mr. Rahul Chamaria, son of Rajendra Chamaria, Vice Chairman & Managing Director  |
|   | Rajendra Udyog (HUF)  | HUF of Mr. Rajendra Chamaria, Vice Chairman & Managing Director   |
|   | Mrs.Yash Bala Bhajanka  | Spouse of Mr. Prem Kumar Bhajanka, Managing Director  |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 45 | RELATED PARTY DISCLOSURES (Contd.)**

Details of transactions between the Company and related parties and the status of outstanding balances :

(₹ in Lakhs)

| B | Nature of Transactions                     | Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel |                                     | Key Management Personnel and their close family members |                                     |
|---|--|---|-------------------------------------|---|-------------------------------------|
|   |  | For the year ended 31st March, 2023   | For the year ended 31st March, 2022 | For the year ended 31st March, 2023                     | For the year ended 31st March, 2022 |
|   | <b>1. Purchase Transactions</b>            |   |                                     |   |                                     |
|   | CLL  | 33.33   | 24.53                               | -   | -                                   |
|   | <b>2. Sale Transactions</b>                |   |                                     |   |                                     |
|   | CPIL                                       | 30.02   | 24.03                               | -   | -                                   |
|   | NTEPL                                      | 4.20  | -                                   | -   | -                                   |
|   | Mr. Prem Kumar Bhajanka                    | -   | -                                   | 9.45  | -                                   |
|   | <b>3. Services Received</b>                |   |                                     |   |                                     |
|   | NU   | 1.60  | 6.12                                | -   | -                                   |
|   | Mrs.Yash Bala Bhajanka                     | -   | -                                   | 12.50   | 12.50                               |
|   | Rahul Chamaria (HUF)                       | -   | -                                   | 29.50   | 13.55                               |
|   | Rajendra Udyog (HUF)                       | -   | -                                   | 33.77   | 14.65                               |
|   | Renu Chamaria                              | -   | -                                   | 31.05   | 13.43                               |
|   | CPIL                                       | 156.03  | 117.60                              | -   | -                                   |
|   | <b>4. Purchase of Capital Goods</b>        |   |                                     |   |                                     |
|   | SSPL                                       | 5,352.15  | 486.60                              | -   | -                                   |
|   | <b>5. Loans &amp; Advances repaid back</b> |   |                                     |   |                                     |
|   | PCWL                                       | -   | 0.61                                | -   | -                                   |
|   | <b>6. 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. Prem Kumar Bhajanka                    | -   | -                                   | 366.33  | 198.00                              |
|   | Mr. Tushar Bhajanka                        | -   | -                                   | 174.67  | 30.58                               |
|   | Mr. Pankaj Kejriwal                        | -   | -                                   | 200.00  | 73.58                               |
|   | Mr. Sanjay Kumar Gupta                     | -   | -                                   | -   | 249.91                              |
|   | Mr. Rahul Chamaria                         | -   | -                                   | 60.00   | 60.00                               |
|   | Mr. Sachin Chamaria                        | -   | -                                   | 60.00   | 60.00                               |
|   | Mr. Manoj Agarwal                          | -   | -                                   | 95.92   | 80.90                               |
|   | Mr. Debabrata Thakurta                     | -   | -                                   | 31.39   | 28.15                               |
|   | <b>Sitting fees :</b>                      |   |                                     |   |                                     |
|   | Mrs. Ibaridor Katherine War                | -   | -                                   | 0.25  | 0.25                                |
|   | Mrs. Plistina Dkhar                        | -   | -                                   | 0.25  | 0.25                                |
|   | Mr. Santanu Ray                            | -   | -                                   | -   | 1.45                                |
|   | Mr. Amit Kiran Deb                         | -   | -                                   | 2.80  | 2.35                                |
|   | Mr. Nirmalya Bhattacharyya                 | -   | -                                   | 3.13  | 1.13                                |
|   | Mr. Pramod Kumar Shah                      | -   | -                                   | 5.48  | 3.28                                |
|   | Mr. Deepak Singhal                         | -   | -                                   | 1.75  | -                                   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 45 | RELATED PARTY DISCLOSURES (Contd.)

(₹ in Lakhs)

| B         | Nature of Transactions      | Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel |                                     | Key Management Personnel and their close family members |                                     |
|-----------|-----------------------------|---|-------------------------------------|---|-------------------------------------|
|           |                             | For the year ended 31st March, 2023   | For the year ended 31st March, 2022 | For the year ended 31st March, 2023                     | For the year ended 31st March, 2022 |
| <b>7.</b> | <b>Balance Outstanding</b>  |   |                                     |   |                                     |
| (a)       | Trade and other Payable     |   |                                     |   |                                     |
|           | Mrs.Yash Bala Bhajanka      | -   | -                                   | -   | 0.06                                |
|           | CPIL                        | 26.66   | 11.84                               | -   | -                                   |
|           | SSPL                        | 1,137.89  | 44.91                               | -   | -                                   |
|           | CLL                         | 0.94  | -                                   | -   | -                                   |
|           | Rahul Chamaria (HUF)        | -   | -                                   | -   | 11.92                               |
|           | Rajendra Udyog (HUF)        | -   | -                                   | -   | 13.18                               |
|           | Renu Chamaria               | -   | -                                   | -   | 12.08                               |
| (b)       | Advance : (Given)           |   |                                     |   |                                     |
|           | SSPL                        | -   | 3.03                                | -   | -                                   |
|           | PCWL                        | -   | 35.00                               | -   | -                                   |
| (c)       | Trade and other Receivables |   |                                     |   |                                     |
|           | SSPL                        | -   | 0.01                                | -   | -                                   |
|           | CPIL                        | -   | 0.92                                | -   | -                                   |
| (d)       | Security deposit given      |   |                                     |   |                                     |
|           | Rahul Chamaria HUF          | -   | -                                   | 5.12  | -                                   |
|           | Rajendra Udyog (HUF)        | -   | -                                   | 5.05  | -                                   |
|           | Mrs. Renu Chamaria          | -   | -                                   | 14.65   | -                                   |
| (e)       | Guarantees Obtained         |   |                                     |   |                                     |
|           | Mr. Sajjan Bhajanka         | -   | -                                   | -   | 9,400.00                            |
|           | Mr. Rajendra Chamaria       | -   | -                                   | -   | 9,400.00                            |
|           | Mr. Sanjay Agarwal          | -   | -                                   | -   | 9,400.00                            |
|           | Mr. Prem Kumar Bhajanka     | -   | -                                   | -   | 9,400.00                            |
| (f)       | Remuneration Payable        |   |                                     |   |                                     |
|           | Mr. Sajjan Bhajanka         | -   | -                                   | 10.57   | 10.57                               |
|           | Mr. Rajendra Chamaria       | -   | -                                   | 16.32   | -                                   |
|           | Mr.Sanjay Agarwal           | -   | -                                   | 4.97  | 4.97                                |
|           | Mr. Prem Kumar Bhajanka     | -   | -                                   | 20.23   | 10.58                               |
|           | Mr. Pankaj Kejriwal         | -   | -                                   | 10.73   | 22.08                               |
|           | Mr. Tushar Bhajanka         | -   | -                                   | -   | 2.78                                |
|           | Mr. Rahul Chamaria          | -   | -                                   | 3.24  | -                                   |
|           | Mr. Sachin Chamaria         | -   | -                                   | 3.24  | -                                   |
|           | Mr. Manoj Agarwal           | -   | -                                   | 5.87  | 4.41                                |
|           | Mr. Debabrata Thakurta      | -   | -                                   | 1.70  | 1.67                                |

Note :- The above mentioned balances and transaction values includes goods & service tax and other taxes, if any wherever applicable.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 45 | RELATED PARTY DISCLOSURES (Contd.)**
**Key management personnel compensation**

(₹ in Lakhs)

| (c) | Particulars                  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|-----|------------------------------|--|--|
|     | Short-term employee benefits | 1,702.17                               | 1,490.03                               |
|     | Post-employment benefits     | -                                      | -                                      |
|     | Long-term employee benefits  | -                                      | -                                      |
|     | <b>Total compensation</b>    | <b>1,702.17</b>                        | <b>1,490.03</b>                        |

**(d) Terms and Conditions of transactions with Related Parties:**

- (i) The sales and purchases transaction with related parties (including transactions related to property, plant and equipment) are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
  - (ii) For the year ended 31st March, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
  - (iii) The remuneration of Directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.
- (e) Post-employment benefits and other long-term benefits related to KMPs is being disclosed based on actual payment made on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together. Further, in view of applicability of such benefits only to CFO & CS of the Company, the amount of provision made on actuarial basis are not significant considering the nature of operation and size of the Group.

**NOTE: 46 | SEGMENT REPORT**

(₹ in Lakhs)

| Sl. No.  | Particulars                             | For the year ended 31st March, 2023 |                    |             |                    | For the year ended 31st March, 2022 |                    |              |                    |
|----------|---|-------------------------------------|--------------------|-------------|--------------------|-------------------------------------|--------------------|--------------|--------------------|
|          |   | Power                               | Cement             | Unallocated | Total              | Power                               | Cement             | Unallocated  | Total              |
| <b>A</b> | <b>Revenue (Gross)</b>                  |                                     |                    |             |                    |                                     |                    |              |                    |
|          | External Sales                          | 505.96                              | 2,69,978.72        | -           | 2,70,484.68        | 12.58                               | 2,22,169.32        | -            | 2,22,181.90        |
|          | Inter Segment Sales                     | 14,478.33                           | 1,00,159.83        | -           | 1,14,638.16        | 13,570.50                           | 71,830.98          | -            | 85,401.48          |
|          | Elimination                             | (14,478.33)                         | (1,00,159.83)      | -           | (1,14,638.16)      | (13,570.50)                         | (71,830.98)        | -            | (85,401.48)        |
|          | <b>Total Revenue (Gross)</b>            | <b>505.96</b>                       | <b>2,69,978.72</b> | <b>-</b>    | <b>2,70,484.68</b> | <b>12.58</b>                        | <b>2,22,169.32</b> | <b>-</b>     | <b>2,22,181.90</b> |
| <b>B</b> | <b>Results</b>                          |                                     |                    |             |                    |                                     |                    |              |                    |
|          | Segment Result                          | 358.28                              | 34,086.11          | -           | 34,444.39          | 334.89                              | 22,050.40          | -            | 22,385.29          |
|          | Unallocated Income/ (Expenses) (Net)    | -                                   | -                  | 4,491.86    | 4,491.86           | -                                   | -                  | 3,314.09     | 3,314.09           |
|          | Interest & Finance Charges (Net)        | -                                   | -                  | (969.50)    | (969.50)           | -                                   | -                  | (1,334.03)   | (1,334.03)         |
|          | <b>Profit before tax</b>                | <b>-</b>                            | <b>-</b>           | <b>-</b>    | <b>37,966.75</b>   | <b>-</b>                            | <b>-</b>           | <b>-</b>     | <b>24,365.35</b>   |
|          | Exceptional Items/Extraordinary Items   | -                                   | -                  | -           | -                  | -                                   | -                  | -            | -                  |
|          | Tax Expenses                            | -                                   | -                  | -           | (13,206.34)        | -                                   | -                  | -            | (312.13)           |
|          | <b>Profit for the year</b>              | <b>-</b>                            | <b>-</b>           | <b>-</b>    | <b>24,760.41</b>   | <b>-</b>                            | <b>-</b>           | <b>-</b>     | <b>24,677.48</b>   |
|          | <b>Other Information</b>                |                                     |                    |             |                    |                                     |                    |              |                    |
| <b>C</b> | <b>Total Assets</b>                     |                                     |                    |             |                    |                                     |                    |              |                    |
|          | Segment Assets                          | 17,127.78                           | 2,64,445.52        | -           | 2,81,573.30        | 16,747.77                           | 2,21,198.72        | -            | 2,37,946.49        |
|          | Unallocated Corporate/Other Assets      | -                                   | -                  | 31,566.70   | 31,566.70          | -                                   | -                  | 36,562.97    | 36,562.97          |
| <b>D</b> | <b>Total Liabilities</b>                |                                     |                    |             |                    |                                     |                    |              |                    |
|          | Segment Liabilities                     | 1,872.55                            | 66,688.65          | -           | 68,561.20          | 1,626.53                            | 55,724.99          | -            | 57,351.52          |
|          | Unallocated Corporate/Other Liabilities | -                                   | -                  | 2,941.24    | 2,941.24           | -                                   | -                  | 314.54       | 314.54             |
| <b>E</b> | <b>Capital Expenditure</b>              | <b>1,032.38</b>                     | <b>53,444.21</b>   | <b>-</b>    | <b>54,476.59</b>   | <b>195.92</b>                       | <b>18,813.55</b>   | <b>44.19</b> | <b>19,053.65</b>   |
| <b>F</b> | <b>Depreciation</b>                     | <b>1,141.62</b>                     | <b>11,969.60</b>   | <b>-</b>    | <b>13,111.22</b>   | <b>1,198.11</b>                     | <b>10,964.84</b>   | <b>-</b>     | <b>12,162.95</b>   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 46 | SEGMENT REPORT (Contd.)

#### 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 Group in consistent with reporting made to Chief Operating Decision Maker (CODM) i.e. Board of Directors. Accordingly, the Group has identified following business segments:

| SI no | Segments | Products                  |
|-------|----------|---------------------------|
| 1     | Cement   | Cement and Cement Clinker |
| 2     | Power    | Power                     |

- (b) Geographical Segments : The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

(₹ in Lakhs)

| SI No. | Geographical Location       | Non-Current assets     |                        | Revenue                             |                                     |
|--------|-----------------------------|------------------------|------------------------|-------------------------------------|-------------------------------------|
|        |                             | As at 31st March, 2023 | As at 31st March, 2022 | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
| (i)    | India (Country of Domicile) | 2,13,397.37            | 1,78,060.66            | 2,70,484.68                         | 2,22,181.90                         |
| (ii)   | Outside India               | -                      | -                      | -                                   | -                                   |
|        | <b>Total</b>                | <b>2,13,397.37</b>     | <b>1,78,060.66</b>     | <b>2,70,484.68</b>                  | <b>2,22,181.90</b>                  |

- (c) There is no such customer which contributes 10 per cent or more of the Company's total revenue during the current and previous year.

**NOTE: 47** Previous year's figures have been regrouped and /or rearranged wherever necessary to conform for current year classification, majorly being investment in bonds, sale of other products, liabilities of expenses, and subsidy/ incentive receivable. However, Such regrouping and /or reclassification has no impact on the Equity for the previous financial year.

### NOTE: 48 | ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF PART III - GENERAL INSTRUCTION FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT OF 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             |                  | Share in Other Comprehensive Income |              | Share in Total Comprehensive Income |                  |
|-------|---|---|--------------------|-------------------------------------|------------------|-------------------------------------|--------------|-------------------------------------|------------------|
|       |   | As at 31st March, 2023                            |                    | For the year ended 31st March, 2023 |                  | For the year ended 31st March, 2023 |              | For the year ended 31st March, 2023 |                  |
|       |   | 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                         | 60.58%  | 1,46,369.84        | 66.24%                              | 16,402.05        | 91.64%                              | 30.94        | 66.28%                              | 16,432.99        |
|       | <b>Indian Subsidiaries</b>                  |   |                    |                                     |                  |                                     |              |                                     |                  |
| 1     | Megha Technical & Engineers Private Limited | 13.36%  | 32,288.76          | 1.78%                               | 439.99           | 5483.75%                            | 1,851.10     | 9.24%                               | 2291.09          |
| 2     | Star Cement Meghalaya Limited               | 35.86%  | 86,648.01          | 31.71%                              | 7,850.84         | (23.50%)                            | (7.93)       | 31.63%                              | 7,842.91         |
| 3     | Meghalaya Power Limited                     | 6.19%   | 14,964.39          | 1.22%                               | 301.65           | (9.15%)                             | (3.09)       | 1.20%                               | 298.56           |
| 4     | NE Hills Hydro Limited                      | 0.01%   | 35.00              | 0.00%                               | (0.18)           | 4.80%                               | 1.62         | 0.01%                               | 1.44             |
| 5     | Star Cement (I) Limited                     | 0.00%   | 5.00               | 0.00%                               | -                | 0.00%                               | -            | 0.00%                               | -                |
| 6     | Star Cement North East Limited              | 0.83%   | 2,005.00           | 0.00%                               | -                | 0.00%                               | -            | 0.00%                               | -                |
|       | <b>Foreign Subsidiary</b>                   |   |                    |                                     |                  |                                     |              |                                     |                  |
| 1     | Star Century Global Cement Private Limited  | 0.01%   | 19.41              | -0.01%                              | (1.39)           | 0.00%                               | -            | (0.01%)                             | (1.39)           |
|       | <b>Adjustments on consolidation</b>         | (16.84%)  | (40,697.85)        | (0.94%)                             | (232.55)         | (5,447.54%)                         | (1,838.88)   | (8.35%)                             | (2071.43)        |
|       | <b>TOTAL</b>                                | <b>100%</b>                                       | <b>2,41,637.56</b> | <b>100%</b>                         | <b>24,760.41</b> | <b>100%</b>                         | <b>33.76</b> | <b>100%</b>                         | <b>24,794.17</b> |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**

**NOTE: 48** | **ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF PART III - GENERAL INSTRUCTION FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT OF SCHEDULE III OF THE COMPANIES ACT, 2013. (Contd.)**

| SL No | Name of the Company                         | Net Assets<br>(total assets minus total liabilities) |                    | Share in profit or loss             |                  | Share in Other Comprehensive Income |                 | Share in Total Comprehensive Income |                  |
|-------|---|--|--------------------|-------------------------------------|------------------|-------------------------------------|-----------------|-------------------------------------|------------------|
|       |   | As at 31st March, 2022                               |                    | For the year ended 31st March, 2022 |                  | For the year ended 31st March, 2022 |                 | For the year ended 31st March, 2022 |                  |
|       |   | 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                         | 59.93%   | 1,29,936.85        | 71.45%                              | 17,632.18        | (16.45%)                            | 2.33            | 71.50%                              | 17,634.51        |
|       | <b>Indian Subsidiaries</b>                  |  |                    |                                     |                  |                                     |                 |                                     |                  |
| 1     | Megha Technical & Engineers Private Limited | 13.83%   | 29,997.67          | -0.13%                              | (31.70)          | (1510.93%)                          | 214.05          | 0.74%                               | 182.35           |
| 2     | Star Cement Meghalaya Limited               | 36.34%   | 78,805.10          | 28.09%                              | 6,932.59         | 57.99%                              | (8.22)          | 28.08%                              | 6,924.37         |
| 3     | Meghalaya Power Limited                     | 6.76%  | 14,665.83          | 0.61%                               | 149.37           | 35.46%                              | (5.02)          | 0.59%                               | 144.35           |
| 4     | NE Hills Hydro Limited                      | 0.02%  | 33.56              | 0.00%                               | (0.20)           | (24.78%)                            | 3.51            | 0.01%                               | 3.31             |
| 5     | Star Cement (I) Limited                     | 0.00%  | 5.00               | 0.00%                               | -                | 0.00%                               | -               | 0.00%                               | -                |
| 6     | Star Cement North East Limited              | 0.00%  | 5.00               | 0.00%                               | -                | 0.00%                               | -               | 0.00%                               | -                |
|       | <b>Foreign Subsidiary</b>                   |  |                    |                                     |                  |                                     |                 |                                     |                  |
| 1     | Star Century Global Cement Private Limited  | 0.01%  | 20.80              | 0.00%                               | 0.44             | 0.00%                               | -               | 0.00%                               | 0.44             |
|       |   |  |                    |                                     |                  |                                     |                 |                                     | -                |
|       | <b>Adjustments on consolidation</b>         | <b>(16.89%)</b>                                      | <b>(36,626.41)</b> | <b>(0.02%)</b>                      | <b>(5.20)</b>    | <b>1558.71%</b>                     | <b>(220.82)</b> | <b>(0.92%)</b>                      | <b>(226.02)</b>  |
|       | <b>TOTAL</b>                                | <b>100%</b>  | <b>2,16,843.40</b> | <b>100%</b>                         | <b>24,677.48</b> | <b>100%</b>                         | <b>(14.17)</b>  | <b>100%</b>                         | <b>24,663.31</b> |

Note 48.1 : The above figures are from Standalone Financial Statements of the respective companies and before eliminating intra group transaction and balances

**NOTE: 49** | **INTEREST IN OTHER ENTITIES**

**Subsidiaries**

The group's subsidiaries as at 31st March, 2023 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/<br>country of incorporation | Ownership interest held by the group |                       | Ownership interest held by non-controlling interests |                       | Principal activities   |
|---|--|--------------------------------------|-----------------------|--|-----------------------|------------------------|
|   |  | 31st March, 2023<br>%                | 31st March, 2022<br>% | 31st March, 2023<br>%                                | 31st March, 2022<br>% |                        |
| Megha Technical & Engineers Private Limited       | India  | 100%                                 | 100%                  | 0%   | 0%                    | Manufacture of cement  |
| Star Cement Meghalaya Limited (Refer Note below)  | India  | 100%                                 | 100%                  | 0%   | 0%                    | Manufacture of clinker |
| Meghalaya Power Limited                           | India  | 100%                                 | 100%                  | 0%   | 0%                    | Generation of power    |
| NE Hills Hydro Limited                            | India  | 100%                                 | 100%                  | 0%   | 0%                    | Generation of power    |
| Star Cement (I) Limited (Refer Note below)        | India  | 100%                                 | 100%                  | 0%   | 0%                    | Manufacture of cement  |
| Star Cement North East Limited (Refer Note below) | India  | 100%                                 | 100%                  | 0%   | 0%                    | Manufacture of cement  |
| Star Century Global Cement Private Limited        | Myanmar  | 100%                                 | 100%                  | 0%   | 0%                    | Export of Clinker      |

Note : The Above percentage shares held by Group Companies also

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### NOTE: 50 | OTHER STATUTORY INFORMATION

- i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iv) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vi) Struck off Company: Transaction with the struck off company is as under :-

(₹ in Lakhs)

| Name of Company                      | Transaction entered by | Nature of Transactions | Transactions during the year ended 31st March, 2023 | Balance Outstanding as at 31st March, 2023 | Relationship with the Company |
|--------------------------------------|------------------------|------------------------|---|--|-------------------------------|
| Deori's Mercantile Private Limited   | Star Cement Limited    | Payables               | 236.78  | 14.73                                      | Vendor (non - related)        |
| Digaru Construction Private Limited  | Star Cement Limited    | Payables               | 8.00  | -  | Vendor (non - related)        |
| Ramdhenu Engineering Private Limited | Star Cement Limited    | Payables               | 8.19  | -  | Vendor (non - related)        |
| Digaru Construction Private Limited  | Star Cement Limited    | Receivables            | 0.07  | -  | Customer (non - related)      |

(₹ in Lakhs)

| Name of Company                      | Transaction entered by | Nature of Transactions | Transactions during the year ended 31st March, 2022 | Balance Outstanding as at 31st March, 2022 | Relationship with the Company |
|--------------------------------------|------------------------|------------------------|---|--|-------------------------------|
| Digaru Construction Private Limited  | Star Cement Limited    | Payables               | 37.57   | 8.43                                       | Vendor (non - related)        |
| Deori's Mercantile Private Limited   | Star Cement Limited    | Payables               | 564.60  | 65.51                                      | Vendor (non - related)        |
| Ramdhenu Engineering Private Limited | Star Cement Limited    | Payables               | 1.01  | -  | Vendor (non - related)        |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**
**NOTE: 51 | BORROWING**

Quarterly summary of reconciliation and reasons of material discrepancies in respect of Parent Company during the Financial Year 2022-2023 & 2021-2022 are given below :

| (₹ in Lakhs)   |               |                  |   |                                |             |  |
|--|---------------|------------------|---|--------------------------------|-------------|--|
| Name of the Bank   | Quarter ended | Particulars      | Amount disclosed as per quarterly return/statements | Amount as per books of account | Differences | Reason for variance  |
| State Bank of India, Indian Bank, Kotak Mahindra Bank and DBS Bank Limited | March'23      | Trade Receivable | 11,345.10   | 9,755.83                       | 1,589.28    | The differences are because the statements filed with the lenders are based on financial statements prepared on a provisional basis and also due to audit/ accounting adjustment entries carried out subsequently along with certain debtors, inter-company(group) balances were not considered by the Banks |
|  |               | Inventory        | 14,740.59   | 16,826.19                      | (2,085.61)  |  |
|  |               | Trade Payable    | 14,752.72   | 27,307.53                      | (12,554.81) |  |
|  | December'22   | Trade Receivable | 12,412.39   | 16,161.12                      | (3,748.73)  |  |
|  |               | Inventory        | 14,095.01   | 13,459.05                      | 635.97      |  |
|  |               | Trade Payable    | 6,494.85  | 19,870.00                      | (13,375.15) |  |
|  | September'22  | Trade Receivable | 11,525.38   | 13,807.41                      | (2,282.03)  |  |
|  |               | Inventory        | 10,392.98   | 9,398.31                       | 994.67      |  |
|  |               | Trade Payable    | 7,353.03  | 19,918.00                      | (12,564.97) |  |
|  | June'22       | Trade Receivable | 10,144.54   | 13,640.16                      | (3,495.62)  |  |
|  |               | Inventory        | 12,992.56   | 12,660.71                      | 331.85      |  |
|  |               | Trade Payable    | 10,657.99   | 20,568.84                      | (9,910.85)  |  |
|  | March'22      | Trade Receivable | 12,052.14   | 12,877.82                      | (825.67)    |  |
|  |               | Inventory        | 10,034.75   | 9,628.12                       | 406.64      |  |
|  |               | Trade Payable    | 9,476.84  | 22,316.61                      | (12,839.77) |  |
|  | December'21   | Trade Receivable | 11,703.77   | 16,666.22                      | (4,962.45)  |  |
|  |               | Inventory        | 12,910.81   | 12,310.52                      | 600.29      |  |
|  |               | Trade Payable    | 5,061.72  | 14,533.86                      | (9,472.14)  |  |
|  | September'21  | Trade Receivable | 8,721.03  | 11,669.48                      | (2,948.45)  |  |
|  |               | Inventory        | 13,464.35   | 13,212.10                      | 252.24      |  |
|  |               | Trade Payable    | 4,961.75  | 11,167.55                      | (6,205.80)  |  |
|  | June'21       | Trade Receivable | 8,028.80  | 12,089.55                      | (4,060.74)  |  |
|  |               | Inventory        | 8,451.23  | 10,900.14                      | (2,448.91)  |  |
|  |               | Trade Payable    | 3,760.67  | 14,366.19                      | (10,605.53) |  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

**NOTE: 52** These Consolidated Financial Statements include the financial statements of its subsidiaries Star Cement Meghalaya Limited (SCML), Megha Technical & Engineers Private Limited (MTEPL), Meghalaya Power Limited (MPL), NE Hills Hydro Limited (NEHL), Star Century Global Cement Private Limited (SCGCPL), Star Cement (I) Limited (SCIL) and Star Cement North East Limited (SCNEL). In the Board meetings held on 2nd February, 2023, the respective Board of Directors of SCML, MTEPL, MPL and NEHL have approved a proposal of amalgamation of MTEPL, MPL & NEHL into SCML with effect from 1st April, 2023. Necessary actions by the respective companies for requisite approvals etc in this regard shall be taken in due course.

**NOTE: 53** These Consolidated Financial Statements are approved by the audit committee at its meeting held on 19th May 2023 and by the Board of Directors on the same date.

As per our report of even date

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.:302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place : Kolkata  
Date : 19th May, 2023

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

### For and on behalf of Board of Directors

**Sajjan Bhajanka**  
Chairman, Managing Director & CEO  
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: 033- 24015555, Email: investors@starcement.co.in

Website: www.starcement.co.in

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **Star Cement Limited** will be held on **Thursday, 28th September, 2023 at 11:30 A.M.** (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OVAM") facility to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2023 and the Reports of Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Sanjay Agarwal (DIN: 00246132), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Rajendra Chamaria (DIN: 00246171), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. Appointment of Mr. Tushar Bhajanka as Director 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 Section 152, 161 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("Act") 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) and the Articles of Association of the Company, Mr. Tushar Bhajanka (DIN: 09179632), who was appointed by the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 8th August, 2023 as an Additional Director and being eligible, offers himself for appointment and in

respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company with effect from 8th August, 2023 and that he shall be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### 5. Appointment of Mr. Tushar Bhajanka (DIN: 09179632), as Deputy Managing Director 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 recommendation of the Nomination and Remuneration Committee and approval of the Board at their meeting held on 8th August, 2023 and pursuant to the provisions of Sections 196 and 203 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. Tushar Bhajanka (DIN: 09179632), as the Deputy Managing Director of the Company for a period of three years with effect from 8th August, 2023 upto 7th August, 2026 on the terms and conditions, as set out in the explanatory statement and draft agreement to be entered between the Company and Mr. Tushar Bhajanka and as available for 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

## NOTICE (Contd.)

and Remuneration Committee of the Board) be and is hereby authorised to alter, vary and amend the terms and conditions of appointment of Mr. Tushar Bhajanka in such manner as may be agreed to between the Board and Mr. Tushar Bhajanka.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorised 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 regard."

### 6. Re-appointment of Mr. Prem Kumar Bhajanka as Managing Director 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 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. Prem Kumar Bhajanka (DIN: 00591512) as the Managing Director of the Company for a period of three years with effect from 1st April, 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 for 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 authorised to alter, vary and amend the terms and conditions of re-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 authorised 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. Re-appointment of Mr. Sajjan Bhajanka as Managing Director of the Company

To consider and if, thought fit, to pass with or without modification 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 Chairman and Managing Director of the Company who has attained the age of 71 years, for a period of three years with effect from 1st April, 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. Sajjan Bhajanka and as available for the inspection of the members;

**NOTICE (Contd.)**

**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 authorised 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** 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 authorised 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."

**8. Re-appointment of Mr. Sanjay Agarwal as Managing Director of the Company**

To consider and if, thought fit, to pass with or without modifications 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, 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. Sanjay Agarwal and as available for 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 authorised 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 authorised 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."

**9. Re-appointment of Mr. Rajendra Chamarla as Managing Director of the Company**

To consider and if, thought fit, to pass with or without modifications the following Resolution as a **Special Resolution**:

**NOTICE (Contd.)**

**"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, 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. Rajendra Chamaria and as available for 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 authorised 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 authorised 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."

**10. Change in designation of Mr. Pankaj Kejriwal from 'Whole-time Director & Chief Operating Officer (COO)' to 'Executive Director'.**

To consider and if, thought fit, to pass, with or without modification(s), 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 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 Change in designation of Mr. Pankaj Kejriwal (DIN: 00383635) from 'Whole-time Director & Chief Operating Officer' (COO) to 'Executive Director' of the Company w.e.f. 19th May, 2023 for his remaining tenure of appointment, on the existing terms and conditions;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorised 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."

**11. Re-appointment of Mr. Pankaj Kejriwal (DIN: 00383635) as Executive Director 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 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



## NOTICE (Contd.)

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. Pankaj Kejriwal (DIN: 00383635) as the Executive Director of the Company for a period of three years with effect from 1st April, 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. Pankaj Kejriwal and as available for 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 authorised to alter, vary and amend the terms and conditions of appointment and/or remuneration of Mr. Pankaj Kejriwal in such manner as may be agreed to between the Board and Mr. Pankaj Kejriwal, 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** 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, Executive 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 authorised 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."

### 12. Payment of Commission to Independent Directors of the Company

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149(9), 197 and any other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded for payment of commission to the Independent Directors, of the Company (i.e., Directors other than the Managing Director and/or Whole Time Directors/Non Executive Director) for each financial year beginning from financial year 2022-23 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act;

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

### 13. Ratification of Remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2024

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 ₹ 1,10,000 (Rupees One Lakh Ten Thousand only) plus applicable taxes and reimbursement 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, 2024;

**NOTICE (Contd.)**

**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."

**14. 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) authorised 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 ₹ 1,850 Crore 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 the financial year 2023-24 & 2024-25;

**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."

**15. 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) authorised 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 ₹ 200 Crore 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 the financial year 2023-24 & 2024-25;

**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."

**16. 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

**NOTICE (Contd.)**

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) authorised 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 ₹ 175 Crore 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 the financial year 2023-24 & 2024-25;

**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."

**17. 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) authorised 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 ₹ 25 Crore 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 the financial year 2023-24 & 2024-25;

**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."

**18. 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) authorised 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 ₹1,000 Crore in a Financial Year entered or to be entered into by the Company with Star Cement (I) 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

## NOTICE (Contd.)

as set out in the explanatory statement annexed to the notice convening this meeting, for the financial year 2023-24 & 2024-25;

**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."

### 19. 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) authorised 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 ₹ 1,500 Crore in a Financial Year entered or to be entered into by the Company with Star Cement North East 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 the financial year 2023-24 & 2024-25;

**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."

Registered Office:  
Vill: Lumshnong, P.O.: Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya - 793210

Date: 8th August, 2023  
Place: Kolkata

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

## NOTICE (Contd.)

### 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 8th August, 2023 considered that the special businesses as specified in the Notice convening the meeting under Item Nos. 4 to 19 being considered unavoidable, be transacted at the Twenty Second Annual General Meeting.
2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 and General Circular no. 10/2022 dated 28th December, 2022 in relation to clarification on holding of Annual General Meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 19/2021 dated 8th December, 2021 and Circular No. 2/2022 dated 5th May, 2022 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - COVID-19 pandemic' and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as 'SEBI Circulars') 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 **22nd AGM of the Company is being held through VC / OAVM on Thursday, 28th September, 2023 at 11:30 A.M IST.** The deemed venue for the Twenty Second 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/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. Institutional/Corporate shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under "e-Voting" tab in their login.
6. 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.
7. 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.
8. The Board has not recommended any dividend for the year ended 31st March, 2023.
9. The Company has transferred the unpaid/unclaimed Interim dividend for the financial year 2015-16 on respective due date to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has sent 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 of 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



**NOTICE (Contd.)**

an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

10. 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. The Company has transferred the shares for the financial year 2015-16, whose Dividend are remain unpaid for the period of 7 years.
11. 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:

| <b>Financial Year</b> | <b>Date of Declaration</b> | <b>Tentative Date for transfer to IEPF</b> |
|-----------------------|----------------------------|--|
| FY 17-18 (Final)      | 31st July, 2018            | 6th September, 2025                        |
| FY 19-20 (Interim)    | 6th February, 2020         | 14th March, 2027                           |

Members who have not encashed their dividend warrants/drafts pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof at least 30 days before they are due for transfer to the said fund.

12. 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 Private Limited, 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.

13. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website under Investors Information - KYC Details & Nomination at <https://www.starcement.co.in/investor/investor-information> and is also available on the website of the RTA at <https://www.mdpl.in/>. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialised form and to the Company's Registrar and Share Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialised form.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail 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, IFS code, etc.,
17. For shares held in electronic form: to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.



**NOTICE (Contd.)**

- For shares held in physical form: to the Company's RTA in prescribed Form.

|   |             |
|---|-------------|
| Form for registration of PAN, email address, bank account details, mobile number, registered address and other KYC details or changes/ update thereof | Form ISR -1 |
| Update signature of securities holder   | Form ISR -2 |
| For nomination as provided in the Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014  | Form SH-13  |
| Declaration to opt-out from nomination  | Form ISR-3  |
| Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee   | Form SH-14  |

The above forms can be downloaded from the Investors Information - KYC Details & Nomination available on the Company's website at <https://www.starcement.co.in/investor/investor-information> and is also available on the website of the RTA at <https://www.mdpl.in/>.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 and clarification issued vide Circular No. SEBI/ HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14th December, 2021 circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated 25th January, 2022 and circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated 16th March, 2023 has simplified the process for servicing investor requests Accordingly, the companies shall process the following service requests viz. issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition in dematerialised form only. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard. As per the aforesaid circulars SEBI has mandated all listed Companies to record/ update the KYC details i.e., PAN, Nomination and Bank Account details of the first holder for the shares held in physical mode. Members holding shares in physical form are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents, M/s. Maheswari Datamatics Private

Limited ("RTA") before 30th September, 2023. Any folios for which PAN, KYC and nomination details are missing on or after 1st October, 2023, shall be frozen and will be ineligible for lodging a grievance/service request. Such folios will also be ineligible for receipt of any payment, including dividends, through the physical mode. The said folios shall be frozen. In case, the folios continue to remain frozen, till 31st December, 2025, the same shall be referred to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act, 2002.

- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Investors Information - KYC Details & Nomination available on the Company's website at <https://www.starcement.co.in/investor/investor-information> and is also available on the website of the RTA at <https://www.mdpl.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- SEBI vide its notification dated 24th January, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard. A guidance notes on procedure for dematerialisation of shares held in physical form is also placed on the website of the Company under 'Investors' section.
- Members seeking any information with regard to the financial statements or any other matter to be placed at the 22nd 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 18th September, 2023 by 05:00 p.m. The same will be replied by the Company suitably.

**NOTICE (Contd.)**

21. Electronic copies of the documents referred to in the Notice of the 22nd AGM of the Company and the Explanatory Statement shall be available for inspection by the members in electronic mode. Members may inspect the same by sending an email to investors@starcement.co.in.
22. 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 FY 22-23 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 and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange Limited for their download. The Notice will also be available on the website of NSDL at 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 or to M/s. Maheswari Datamatics Private Limited at mdpldc@yahoo.com or members may send the "E-communication registration form" enclosed with this Notice to the Company or to the RTA.
    - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
23. 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 dematerialised 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.
24. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 22nd September, 2023 to Thursday, 28th September, 2023 (both days inclusive)**.
25. During the 22nd 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>.
26. 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 as amended, and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 5th May, 2022, 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 dematerialised form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
27. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **21st day of September, 2023** 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.
28. The Companies (Management and Administration) Rules, 2014, as amended provides that the electronic voting period shall remain open for at least 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, 24th September, 2023 and will end at 5.00 p.m. on Wednesday, 27th September, 2023**. The Company has appointed M/s MKB & Associates, Practicing Company Secretary (Firm Registration No.- P2010WB042700) to act as the Scrutiniser, for conducting the scrutiny of

## NOTICE (Contd.)

the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting.

29. The Scrutiniser 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 scrutiniser's report, within 2 (two) working days of conclusion of General Meeting to the Chairman or any other person authorised by the Board. The results declared along with the consolidated scrutiniser'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.
30. 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, 28th September, 2023.

### 31. 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:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following

the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.starcement.co.in](http://www.starcement.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 5th May, 2020 and MCA Circular No. 2/2021 dated 13th January, 2021.

**NOTICE (Contd.)****THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Sunday, 24th September, 2023 at 09:00 A.M. and ends on Wednesday, 27th September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 21st September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 21st September, 2023.





**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**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**

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access 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. | <ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under 'IDeAS' 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. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on 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; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 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. 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.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> |

**NOTICE (Contd.)**

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a 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 able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging 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. 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 & voting during the meeting.  |

**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 website.

**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 022 - 4886 7000 and 022 - 2499 7000                    |
| 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

**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?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- 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.

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.



**NOTICE (Contd.)**

4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>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<br>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<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. 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.

- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on 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 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.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. 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 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.



## NOTICE (Contd.)

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.

### General Guidelines for shareholders

1. 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 etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. 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.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, 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.nsdl.com](http://www.evoting.nsdl.com) or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### 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, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [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, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@starcement.co.in](mailto:investors@starcement.co.in). 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 shareholder/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 providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### 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. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access 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 meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.

## NOTICE (Contd.)

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at investors@starcement.co.in. 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 investors@starcement.co.in by 23<sup>rd</sup> September, 2023 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 22<sup>nd</sup> 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.

Registered Office:  
Vill: Lumshnong, P.O.: Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya - 793210

Date: 8th August, 2023  
Place: Kolkata

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

**NOTICE (Contd.)****EXPLANATORY STATEMENT**

(Pursuant to section 102(1) of the Companies Act, 2013)

**Item No. 4**

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Board Meeting held on 8th August, 2023 appointed Mr. Tushar Bhajanka (DIN: 09179632), as an Additional Director of the Company with effect from 8th August, 2023, subject to regularisation/approval of the shareholders. In the Board Meeting held on 8th August, 2023, the Board decided to seek approval of the same from the shareholders in the ensuing Annual General Meeting.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Tushar Bhajanka will hold office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as Director, liable to retire by rotation, subject to the approval of the shareholders. However, in terms of Regulation 17(1C) of the Listing Regulations, the listed entity is required to obtain approval of the shareholders for the appointment of new Director at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier.

The Company has received a notice under Section 160(1) of the Companies Act, 2013 from a Member, signifying his intention to propose the appointment of Mr. Tushar Bhajanka as Director of the Company.

Mr. Tushar Bhajanka has given his consent to act as a Director of the Company if appointed, in writing in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and disclosure in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Tushar Bhajanka fulfills the conditions specified in the Companies Act, 2013 read with rules made thereunder and the Listing Regulations for his appointment as a Director of the Company. Brief resume of proposed appointee Director, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under the Listing Regulations with the Stock Exchanges, have been provided as an Annexure to this Notice.

Mr. Tushar Bhajanka, aged about 27 years is M-phil in Economics from Cambridge University. He is having two years of consulting experience in London. He is responsible for driving overall Operations and Management of the Company.

Keeping in view, his knowledge, the Board considers that the appointment of Mr. Tushar Bhajanka would be of immense benefit to the Company and it is desirable to avail services of Mr. Tushar Bhajanka as a Director.

He is the Managing Director of Megha Technical & Engineers Private Limited. He is also in the Board of Star Cement North East Limited, Star Cement (I) Limited and Star Cement Meghalaya Limited. He doesn't hold membership in any Committees. During past 3 (years) he has not resigned from any companies.

The Board, based on the recommendation of Nomination and Remuneration Committee in their meeting held on 8th August, 2023 and considering benefits of the expertise of Mr. Tushar Bhajanka, has recommended the resolution for approval of shareholders by way of Special Resolution.

Except Mr. Prem Kumar Bhajanka being father of Mr. Tushar Bhajanka, none of the Directors or Key Managerial Personnel of the Company and their relatives,, are in any way concerned or interested, financially or otherwise, in Resolutions set out at item no. 4.

The Board of Directors recommends the Special Resolution set out at Item No. 4 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 are annexed with this notice.

**Item No. 5**

As per sections 196, and 203 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 8th August, 2023, as per recommendation of the Nomination & Remuneration Committee appointed Mr. Tushar Bhajanka (DIN: 09179632), as 'Deputy Managing Director' of the Company for a period of three years with effect from 8th August, 2023 upto 7th August, 2026 subject to the approval of Members.

Mr. Tushar Bhajanka, aged about 27 years is M-phil in Economics from Cambridge University. He is having two years of consulting experience in London. He is responsible for driving overall Operations and Management of the Company.

He is Managing Director of Megha Technical & Engineers Private Limited, wholly owned subsidiary of the Company and drawing a remuneration of 1,60,00,000 per annum. Mr. Tushar Bhajanka will continue to draw remuneration from Megha Technical & Engineers Private Limited and that it is

**NOTICE (Contd.)**

proposed that he shall not draw any remuneration from the Company.

The draft agreement to be entered with the Deputy Managing Director shall be available for inspection by the members on all weekdays during office hours from the date of dispatch of the Notice till 28th September, 2023.

Mr. Tushar 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 Deputy Managing Director would be immensely beneficial to the Company.

He is the Managing Director of Megha Technical & Engineers Private Limited. He is also in the Board of Star Cement North East Limited, Star Cement (I) Limited and Star Cement Meghalaya Limited. He doesn't hold membership in any Committees. During past 3 (years) he has not resigned from any companies.

Except Mr. Prem Kumar Bhajanka being father of Mr. Tushar 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. 5.

The Board, based on the recommendation of Nomination and Remuneration Committee in their meeting held on 8th August, 2023 and considering benefits of the expertise of Mr. Tushar Bhajanka, has recommended the resolution for approval of shareholders by way of special resolution.

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 are annexed with this notice.

**Item No. 6,7,8 and 9**

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. Prem Kumar Bhajanka, Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Charamaria will be completing their respective terms on 31st March, 2024.

The Board of Directors in their meeting held on 8th August, 2023, as per recommendation of the Nomination & Remuneration Committee re-appointed Mr. Prem Kumar Bhajanka (DIN: 00591512), Mr. Sajjan Bhajanka (DIN: 00246043), Mr. Sanjay Agarwal (DIN: 00246132), Mr. Rajendra Charamaria (DIN: 00246171) as the Managing Directors of the Company for a further period of 3 (three) years effective from 1st April, 2024 upto 31st March, 2027 subject to the 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 1 of Schedule V to the Act contains a similar relaxation. Mr. Sajjan Bhajanka has attained the age of 71 years and hence his re-appointment as the Managing Director requires the approval of members by way of a special resolution. The Board recommend to re-appoint Mr. Sajjan Bhajanka as Chairman and Managing Director, not liable to retire by rotation and the remuneration payable to him, be approved by the members by way of a Special Resolution.

The remuneration payable to Mr. Rajendra Charamaria is ₹ 3,04,20,000/- per annum and Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka and Mr. Sanjay Agarwal is ₹ 1,98,00,000/- per annum each respectively.

Proviso to section 196(2) of the Companies Act, 2013, inter alia, provides that no re-appointment shall be made earlier than one year before the expiry of his term and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a Manager is taken at the next general meeting or within a time period of three months from the date of appointment/re-appointment, whichever is earlier. Hence, the Board recommends the re-appointment of Managing Directors, be approved by way of special resolution.

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 Crore 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, Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Charamaria

Mr. Prem Kumar Bhajanka, 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 re-appointment. 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 Directors would be immensely beneficial to the Company.

The draft agreements to be entered with these Managing Directors shall be available for inspection for the members on all weekdays during office hours upto the date of the meeting.

## NOTICE (Contd.)

Except Mr. Prem Kumar Bhajanka, Mr. Tushar Bhajanka being son of Mr. Prem Kumar Bhajanka, Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Chamaria and their respective relatives 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. 6, 7, 8 and 9.

The Board of Directors recommends the Special Resolution set out at Item No. 6, 7, 8 and 9 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. 10

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 19th May, 2023 has approved the change in the designation of Mr. Pankaj Kejriwal (DIN: 00383635) from 'Whole-time Director & Chief Operating Officer' (COO) to 'Executive Director' of the Company for his remaining tenure, on the existing terms and conditions subject to the approval of the shareholders.

Except Mr. Pankaj Kejriwal and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 10.

The Board of Directors recommends the Special Resolution set out at Item 10 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 are annexed with this notice.

### Item No. 11

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. Pankaj Kejriwal will be completing his term on 31st March, 2024.

The Board of Directors in their meeting held on 8th August, 2023, as per recommendation of the Nomination & Remuneration Committee re-appointed Mr. Pankaj Kejriwal (DIN- 00383635) as Executive Director of the Company for a further period of 3 (three) years effective from 1st April, 2024 upto 31st March, 2027 subject to the approval of Members.

Proviso to section 196(2) of the Companies Act, 2013, inter-alia, provides that no re-appointment shall be made earlier than one year before the expiry of his term and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment/re-appointment, whichever is earlier. Hence, the Board recommends the re-appointment of Executive Director, be approved by way of special resolution.

The remuneration payable to Mr. Pankaj Kejriwal is ₹ 2,00,00,000/- per annum and Variable incentive not exceeding ₹ 1,00,00,000/- per annum .

Mr. Pankaj Kejriwal 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 re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Your Directors believe that continued association of him as Director would be immensely beneficial to the Company.

The draft agreement to be entered with the Executive Director shall be available for inspection for the members on all weekdays during office hours upto the date of the meeting.

Except Mr. Pankaj Kejriwal and his relatives 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. 11.

The Board of Directors recommends the Special Resolution set out at Item No. 11 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. 12

With the enhanced Corporate Governance requirements under the Act and the SEBI Listing Regulations coupled with the size and complexity of operations of the Company, the role and responsibilities of the Board, particularly Independent Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight.

The Company's Independent Directors are professionals with high level of expertise and have rich experience in functional areas such as business strategy, business development, corporate governance, finance & taxation, security-IT domain expertise, risk management amongst others and are actively



**NOTICE (Contd.)**

involved in various decision-making process and are making valuable contributions towards business development, governance, long term strategy and compliances.

In view of the above, the Nomination and Remuneration Committee, Audit Committee and the Board of Directors at their respective meetings held on 19th May, 2023 recommended and approved payment of commission beginning from financial year 2022-23 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act. Regulation 17(6) of the SEBI Listing Regulations authorises the Board of Directors to recommend all fees and compensation, if any, paid to Independent Directors and the same would require approval of members in general meeting.

This commission has been/will be distributed amongst all Independent Directors, taking into consideration parameters such as attendance at Board and Committee meetings, contribution at or other than at meetings, etc. in accordance with the directions given by the Board as prescribed under the Remuneration Policy of the Company.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/ Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the members.

Accordingly, members' approval is sought by way of a special Resolution for payment of commission to the Independent Directors as set out in the said resolution.

None of the Directors, Key Managerial Personnel or their respective relatives, are concerned or interested in the Resolution mentioned at Item No. 12 of the Notice, except the Independent Directors, to the extent of the commission that may be received by them, including for Financial Year 2022-23.

**Item No. 13**

The Board of Directors, on the recommendation of Audit Committee, has approved at their meeting held on 19th May, 2023, the re-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 2023-24 at a remuneration of ₹ 1,10,000 (Rupees one Lakh ten thousand 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. 13 of the Notice for approval by the Shareholders.

**Item No. 14**

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'), prior 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 with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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. In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transactions proposed to be entered into by the Company with Star Cement Meghalaya Limited, subsidiary company for the FY 23-24 & FY 24-25 may qualify to be a Material Related Party transaction under Listing Regulations, hence approval of the Members by way of ordinary resolution is being sought.



**NOTICE (Contd.)**

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as below:

|  |   |
|--|---|
| <b>Name of the Related Party</b>   | Star Cement Meghalaya Limited   |
| <b>Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)</b>   | Subsidiary of the Company   |
| <b>Type, material terms and particulars of the contract or arrangement/Proposed RPTs</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>Tenure of the Proposed Transaction</b>  | Recurring Transactions for the FY 23-24 & FY 24-25  |
| <b>Estimated Value of the Proposed Transaction</b>   | ₹ 1,850 Crore for each Financial Year   |
| <b>Percentage of the Company's annual consolidated turnover (including other income) for the immediately preceding financial year that is represented by the value of the proposed transaction</b>                         | 67.10%  |
| <b>Details of the source of funds in connection with the proposed transaction</b>  | NOT APPLICABLE  |
| <b>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>   |   |
| <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>   |   |
| <b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>   |   |
| <b>Purpose for which funds will be utilised</b>  |   |
| <b>Justification as to why the RPT is in the interest of the Company</b>   | The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources.  |
| <b>Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.</b> | NA  |
| <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. Tushar Bhajanka, Mr. Pankaj Kejriwal, and Mr. Nirmalaya Bhattacharya may deemed to be related by virtue of being common Directors. |
| <b>Any other information</b>   | NIL   |

Except Mr. Sajjan Bhajanka, Mr. Sanjay Agrawal, Mr. Rajendra Chamaria, Mr. Prem Kumar Bhajanka, Mr. Tushar Bhajanka, Mr. Pankaj Kejriwal and Mr. Nirmalaya Bhattacharya and their respective relatives 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 Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 14 of the Notice, whether the entity is a Related Party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at Item No. 14 of the Notice for approval of the shareholders.

**NOTICE (Contd.)****Item No. 15**

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'), prior 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 with a Related Party shall be considered 'material', if such transaction(s) to

be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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.

In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transactions proposed to be entered into by the Company with Meghalaya Power Limited, Wholly Owned Subsidiary of the Company for the FY 23-24 & FY 24-25 may qualify to be a Material Related Party transaction under Listing Regulations, hence 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, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as below:

|  |  |
|--|--|
| <b>Name of the Related Party</b>   | Meghalaya Power Limited  |
| <b>Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)</b>   | Wholly Owned Subsidiary of the Company   |
| <b>Type, material terms and particulars of the contract or arrangement/Proposed RPTs</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>Tenure of the Proposed Transaction</b>  | Recurring Transactions for the FY 23-24 & FY 24-25.  |
| <b>Estimated Value of the Proposed Transaction</b>   | ₹ 200 Crore for each Financial Year  |
| <b>Percentage of the Company's annual consolidated turnover (including other income) for the immediately preceding financial year that is represented by the value of the proposed transaction</b> | 7.25%  |
| <b>Details of the source of funds in connection with the proposed transaction</b>  | NOT APPLICABLE   |
| <b>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>   |  |
| <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>   |  |
| <b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>   |  |
| <b>Purpose for which funds will be utilised</b>  |  |
| <b>Justification as to why the RPT is in the interest of the Company</b>   | The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources.   |

**NOTICE (Contd.)**

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|--|---|
| <b>Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.</b> | NA  |
| <b>Name of the Director or KMP who is related, if any</b>  | Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Nirmalaya Bhattacharyya 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>Any other information</b>   | NIL   |

Except Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Nirmalaya Bhattacharyya and Mr. Amit Kiran Deb, Directors of the Company and Mr. Debabrata Thakurta, Key Managerial Personnel of the Company and their respective relatives, 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 Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 15 of the Notice, whether the entity is a Related Party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at Item No. 15 of the Notice for approval of the shareholders.

**Item No. 16**

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'), prior 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 with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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.

In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transactions proposed to be entered into by the Company with Megha Technical and Engineers Private Limited, Wholly Owned Subsidiary of the Company for the FY 23-24 & FY 24-25, may qualify to be a Material Related Party transaction under Listing Regulations, hence 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, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as below:

|  |  |
|--|--|
| <b>Name of the Related Party</b>   | Megha Technical and Engineers Private Limited  |
| <b>Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)</b> | Wholly Owned Subsidiary of the Company   |
| <b>Type, material terms and particulars of the contract or arrangement/Proposed RPTs</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>Tenure of the Proposed Transaction</b>  | Recurring Transactions for the FY 23-24 & FY 24-25.  |
| <b>Estimated Value of the Proposed Transaction</b>   | ₹ 175 Crore for each Financial Year  |

## NOTICE (Contd.)

|  |  |
|--|--|
| <b>Percentage of the Company's annual consolidated turnover (including other income) for the immediately preceding financial year that is represented by the value of the proposed transaction</b>                         | 6.35 %   |
| <b>Details of the source of funds in connection with the proposed transaction</b>  | NOT APPLICABLE   |
| <b>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>   |  |
| <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>   |  |
| <b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>   |  |
| <b>Purpose for which funds will be utilised</b>  |  |
| <b>Justification as to why the RPT is in the interest of the Company</b>   | The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources. |
| <b>Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.</b> | NA   |
| <b>Name of the Director or KMP who is related, if any</b>  | Mr. Pankaj Kejriwal, Mr. Tushar Bhajanka and Mr. Nirmalaya Bhattacharyya may deemed to be related by virtue of being common Directors.                         |
| <b>Any other information</b>   | NIL  |

Except Prem Kumar Bhajanka being father of Mr. Tushar Bhajanka, Mr. Pankaj Kejriwal and Mr. Nirmalaya Bhattacharyya and Mr. Tushar Bhajanka and their respective relatives 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 Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 16 of the Notice, whether the entity is a Related Party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at Item No. 16 of the Notice for approval of the shareholders.

**Item No. 17**

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'), prior 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 with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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.

In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transactions proposed to be entered into by the Company with Shyam Century Ferrous Limited for the FY 23-24 & FY 24-25, may qualify to be a Material Related Party transaction under Listing Regulations, hence approval of the Members by way of ordinary resolution is being sought.

**NOTICE (Contd.)**

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as below:

|  |  |
|--|--|
| <b>Name of the Related Party</b>   | Shyam Century Ferrous Limited  |
| <b>Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)</b>   | Common Director  |
| <b>Type, material terms and particulars of the contract or arrangement/Proposed RPTs</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>Tenure of the Proposed Transaction</b>  | Recurring Transactions for the FY 23-24 & FY 24-25.  |
| <b>Estimated Value of the Proposed Transaction</b>   | ₹ 25 Crore for each Financial Year   |
| <b>Percentage of the Company's annual consolidated turnover (including other income) for the immediately preceding financial year that is represented by the value of the proposed transaction</b>                         | 0.91%  |
| <b>Details of the source of funds in connection with the proposed transaction</b>  | NOT APPLICABLE   |
| <b>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>   |  |
| <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>   |  |
| <b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>   |  |
| <b>Purpose for which funds will be utilised</b>  |  |
| <b>Justification as to why the RPT is in the interest of the Company</b>   | The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources.   |
| <b>Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.</b> | NA   |
| <b>Name of the Director or KMP who is related, if any</b>  | Mr. Nirmalaya Bhattacharyya and Mrs. Plistina Dkhar may deemed to be related by virtue of being common Directors.  |
| <b>Any other information</b>   | NIL  |

Except Mr. Nirmalaya Bhattacharyya and Mrs. Plistina Dkhar and their respective relatives 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 Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 17 of the Notice, whether the entity is a Related Party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at Item No. 17 of the Notice for approval of the shareholders.

**Item No. 18:**

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'), prior approval of

**NOTICE (Contd.)**

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 with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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.

In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transactions proposed to be entered into by the Company with Star Cement (I) Limited (formerly, Star Cement Lumshnong Limited), subsidiary of the Company for the FY 23-24 & FY 24-25 may qualify to be a Material Related Party transaction under Listing Regulations, hence 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, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as below:

|  |  |
|--|--|
| <b>Name of the Related Party</b>   | Star Cement (I) Limited (formerly, Star Cement Lumshnong Limited)  |
| <b>Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)</b>   | Common Directors   |
| <b>Type, material terms and particulars of the contract or arrangement/Proposed RPTs</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>Tenure of the Proposed Transaction</b>  | Recurring Transactions for the FY 23-24 & FY 24-25.  |
| <b>Estimated Value of the Proposed Transaction</b>   | ₹ 1,000 Crore for each Financial Year  |
| <b>Percentage of the Company's annual consolidated turnover (including other income) for the immediately preceding financial year that is represented by the value of the proposed transaction</b>                         | 36.27%   |
| <b>Details of the source of funds in connection with the proposed transaction</b>  | NOT APPLICABLE   |
| <b>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>   |  |
| <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>   |  |
| <b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>   |  |
| <b>Purpose for which funds will be utilised</b>  |  |
| <b>Justification as to why the RPT is in the interest of the Company</b>   | The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources.   |
| <b>Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.</b> | NA   |
| <b>Name of the Director or KMP who is related, if any</b>  | Mr. Tushar Bhajanka  |
| <b>Any other information</b>   | NIL  |



## NOTICE (Contd.)

Except Mr. Tushar Bhajanka, Mr. Prem Kumar Bhajanka being father of Mr. Tushar Bhajanka, Mr. Sajjan Bhajanka & Mr. Sanjay Agarwal being relatives of Directors of Star Cement (I) Limited, 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 Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 18 of the Notice, whether the entity is a Related Party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at Item No. 18 of the Notice for approval of the shareholders.

### Item No. 19:

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'), prior 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 with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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.

In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transactions proposed to be entered into by the Company with Star Cement North East Limited, subsidiary of the Company for the FY 23-24 & FY 24-25 may qualify to be a Material Related Party transaction under Listing Regulations, hence 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, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as below:

|  |  |
|--|--|
| <b>Name of the Related Party</b>   | Star Cement North East Limited   |
| <b>Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)</b>   | Common Director  |
| <b>Type, material terms and particulars of the contract or arrangement/Proposed RPTs</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>Tenure of the Proposed Transaction</b>  | Recurring Transactions for the FY 23-24 & FY 24-25.  |
| <b>Estimated Value of the Proposed Transaction</b>   | ₹ 1,500 Crore for each Financial Year  |
| <b>Percentage of the Company's annual consolidated turnover (including other income) for the immediately preceding financial year that is represented by the value of the proposed transaction</b> | 54.41%   |
| <b>Details of the source of funds in connection with the proposed transaction</b>  | NOT APPLICABLE   |
| <b>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>   |  |
| <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>   |  |
| <b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>   |  |
| <b>Purpose for which funds will be utilised</b>  |  |

**NOTICE (Contd.)**

|  |  |
|--|--|
| <b>Justification as to why the RPT is in the interest of the Company</b>   | The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources. |
| <b>Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.</b> | NA   |
| <b>Name of the Director or KMP who is related, if any</b>  | Mr. Tushar Bhajanka  |
| <b>Any other information</b>   | NIL  |

Except Mr. Tushar Bhajanka, Mr. Prem Kumar Bhajanka being father of Mr. Tushar Bhajanka, Mr. Sajjan Bhajanka, & Mr. Sanjay Agarwal being relatives of Directors of Star Cement North East Limited, 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 Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 19 of the Notice, whether the entity is a Related Party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at Item No. 19 of the Notice for approval of the shareholders.

Registered Office:  
Vill: Lumshnong, P.O.: Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya - 793210

Date: 8th August, 2023  
Place: Kolkata

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

## ANNEXURE TO ITEM NO. 2, 3, 4, 5, 6, 7, 8, 9, 10 & 11 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]

| Name of the Director  | Mr. Sanjay Agarwal   | Mr. Rajendra Chamarla  | Mr. Prem Kumar Bhajanka   | Mr. Sajjan Bhajanka  | Mr. Pankaj Kejriwal   | Mr. Tushar Bhajanka   |
|---|--|--|---|--|---|---|
| DIN   | 00246132   | 00246171   | 00591512  | 00246043   | 00383635  | 09179632  |
| Age (Years)   | 62   | 64   | 65  | 71   | 52  | 27  |
| Nationality   | Indian   | Indian   | Indian  | Indian   | Indian  | Indian  |
| Qualification   | Commerce Graduate  | Commerce Graduate  | Commerce Graduate   | Commerce Graduate  | Chemical Engineer   | M-phil in Economics   |
| Experience (years)  | 36   | 39   | 43  | 44   | 30  | Around 4 years  |
| Expertise in special functional Area                                      | 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 | Technical, Production, Legal, Statutory Compliances & Business Operations   | Management & Business Operations  |
| Date of First Appointment on the Board of the Company                     | 16th November, 2002  | 1st April, 2012  | 16th November, 2002   | 16th November, 2002  | 26th March, 2003  | 8th August, 2023  |
| Terms & condition of appointment/ re-appointment                          | Managing Director upto to 31st March, 2024, Liable to retire by rotation   | Vice Chairman and Managing Director upto 31st March, 2024; Liable to retire by rotation  | Managing Director up to 31st March, 2024, liable to retire by rotation  | Chairman and Managing Director upto 31st March, 2024, not liable to retire by rotation   | Executive Director up to 31st March, 2024, liable to retire by rotation   | Deputy Managing Director up to 7th August, 2026, liable to retire by rotation                   |
| Details of remuneration sought to be paid and remuneration last drawn (₹) | Remuneration last drawn: ₹ 16,50,000/- per month   | Remuneration last drawn: ₹ 25,35,000/- per month   | Remuneration sought to be paid: ₹ 16,50,000 per month (w.e.f. 1st April, 2023) Remuneration last drawn: ₹ 4,00,00,000 per annum (w.e.f. 1st June, 2022) | Remuneration last drawn: ₹ 16,50,000/- per month   | Remuneration sought to be paid: ₹ 2,00,00,000 per annum and Variable Incentive not exceeding ₹. 1,00,00,000 per annum w.e.f. 1st February, 2022. Remuneration last drawn: ₹ 33,33,333 | ₹ 1,60,00,000 p a remuneration to be withdrawn from Megha Technical & Engineers Private Limited |

## ANNEXURE TO ITEM NO. 2, 3, 4, 5, 6, 7, 8, 9, 10 &amp; 11 OF THE NOTICE (Contd.)

|  |   |  |  |   |  |   |
|--|---|--|--|---|--|---|
| <b>Shareholding in the Company</b><br>[Equity share of face value ₹ 1 each] (as at 31st March, 2023) | 1,76,23,185   | 1,95,34,116  | 3,94,85,295  | 4,78,86,362   | 98,862   | 10,32,041   |
| <b>Relationship between the Directors inter se and other Key Managerial Personnel</b>                | None  | None   | Father of Mr. Tushar Bhajanka.   | None  | None   | Son of Mr. Prem Kumar Bhajanka  |
| <b>No. of Board Meetings attended during the year</b>  | 4   | 4  | 4  | 4   | 4  | -   |
| <b>List of Directorship held in other Companies (excluding Foreign Company)</b>                      | <ol style="list-style-type: none"> <li>1. Auroville Investments Private Limited</li> <li>2. Brijdham Merchants Private Limited</li> <li>3. Century Coats Limited</li> <li>4. Century Infotech Limited</li> <li>5. Century Panels Limited</li> <li>6. Century Plyboards (India) Limited</li> <li>7. Fine Infraprojects Private Limited</li> <li>8. Indian Chamber of Commerce Calcutta</li> <li>9. Pacific Plywoods Private Limited</li> <li>10. Ranisati Vihar Private Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Star Cement Meghalaya Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Century Plyboards (India) Limited</li> <li>2. Namchic Tea Estate Private Limited</li> <li>3. Lal Pahar Tea Estate Private Limited</li> <li>4. Auro Sundram Ply and Door Private Limited</li> <li>5. Profound Cement Works Limited</li> <li>6. Meghalaya Power Limited</li> <li>7. Star Cement Meghalaya Limited</li> <li>8. Century Adhesives &amp; Chemicals Limited</li> <li>9. Century Float Glass Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Association of Indian Panelboard Manufacturer</li> <li>2. Brijdham Merchants Private Limited</li> <li>3. Century MDF Limited</li> <li>4. Century Plyboards (India) Limited</li> <li>5. Fine Infraprojects Private Limited</li> <li>6. Makui Properties Private Limited</li> <li>7. Meghalaya Power Limited</li> <li>8. Pacific Plywoods Private Limited</li> <li>9. Shyam Century Multi Projects Private Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Star Cement Meghalaya Limited</li> <li>2. Megha Technical and Engineers Private Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Megha Technical &amp; Engineers Private Limited</li> <li>2. Star Cement North East Limited</li> <li>3. Star Cement (I) Limited and</li> <li>4. Star Cement Meghalaya Limited</li> </ol> |

**ANNEXURE TO ITEM NO. 2, 3, 4, 5, 6, 7, 8, 9, 10 & 11 OF THE NOTICE (Contd.)**

|  |     |     |  |                   |
|--|-----|-----|--|-------------------|
| 11. Star Cement<br>Meghalaya Limited<br>12. Sumangal Business<br>Private Limited<br>13. Sumangal<br>International Private<br>Limited<br>14. Century Adhesives &<br>Chemicals Limited<br>15. Century Float Glass<br>Limited   | Nil | Nil | 10. Sri Ram Merchants<br>Private Limited<br>11. Sri Ram Vanijya<br>Private Limited<br>12. Star Cement<br>Meghalaya Limited<br>13. Century Adhesives &<br>Chemicals Limited<br>14. Century Float Glass<br>Limited | Nil<br>Nil<br>Nil |
| <b>Memberships/<br/>                     Chairmanships<br/>                     of Committees of<br/>                     Boards of other<br/>                     Companies.<br/>                     (Only Audit<br/>                     Committee and<br/>                     Stakeholders'<br/>                     Relationship<br/>                     Committee have<br/>                     been considered)</b> | Nil | Nil | Audit Committee:<br>Member:<br>1. Star Cement Meghalaya<br>Limited<br>2. Meghalaya Power<br>Limited  | Nil<br>Nil        |

## Statement pursuant to provisions of Schedule V of the Companies Act, 2013 with respect to Item No. 6, 7, 8, 9, 10 and 11 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)  |
|         | Revenues  | <b>FY 22-23</b> 2,73,120.85 <b>FY 21-22</b> 2,21,913.06 <b>FY 20-21</b> 1,68,516.16 |
|         | Net Profit/ (Loss) before Tax   | 24,884.16 17,037.53 17,254.12   |
|         | Dividend %  | NIL NIL 100%  |
| 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  | Sajjan Bhajanka Managing Director  | Mr. Sanjay Agarwal Managing Director  | Mr. Rajendra Chamaria Managing Director   | Mr. Pankaj Kejriwal Executive Director  |
|---------|--------------------|--|--|---|---|---|
| 1.      | Background details | Mr. Prem Kumar Bhajanka, Managing Director of the Company is a Commerce Graduate, having more than 43 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 on corporate management decisions, providing guidance and supervising actively the day-to-day management and administration of the Company. | Mr. Sajjan Bhajanka, Chairman and Managing Director of the Company is a Commerce Graduate, having more than 44 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 on corporate management decisions, providing strategic guidance and supervising actively the day to day management and administration of the Company. | 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 36 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. | 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 39 years of experience and has an excellent grasp on all statutory laws related to an industry. | Mr. Pankaj Kejriwal, Executive Director of the Company is a Chemical Engineer by profession, he is an alumnus of the prestigious Institute of Chemical Technology, Mumbai. His 30-year-long career includes a 22-year stint in the Cement Industry. Since 2002 at Star Cement he has been a driving force in conceptualising, engineering, implementing and commissioning of the first company plant in a record 18 months. He has expertise in general management, project management and operational integrity. With his major attributes like team-building, technical prowess, and excellent work ethics, he has led technical growth in the Company across all its plants. |



| Sl. No. | Particulars  | Mr. Prem Kumar Bhajanika<br>Managing Director   | Sajjan Bhajanika<br>Managing Director  | Mr. Sanjay Agarwal<br>Managing Director   | Mr. Rajendra<br>Chamaria<br>Managing Director   | Mr. Pankaj Kejriwal<br>Executive Director   |
|---------|--|---|--|---|---|---|
| 2.      | Past remuneration  | Remuneration paid during Financial Year 2022-23: ₹ 400 Lakhs per annum (w.e.f. 1st June, 2022)  | Remuneration paid during Financial Year 2022-23: ₹ 198 Lakhs   | Remuneration paid during Financial Year 2022-23: ₹ 198 Lakhs  | Remuneration paid during Financial Year 2022-23: ₹ 304.20 Lakhs   | Remuneration paid during Financial Year 2022-23: ₹ 200 Lakhs  |
| 3.      | Job profile and his suitability as Director  | Mr. Prem Kumar Bhajanika 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. | Mr. Sajjan Bhajanika is the Managing Director of the Company. He possesses multiple skill sets to head various departments such as Finance, Marketing and Business Operations. | Mr. Sanjay Agarwal is the Managing Director of the Company. He possesses multiple skill sets to head various departments such as Finance, Branding Marketing and Business Operations. | 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. | Mr. Pankaj Kejriwal is appointed as the Executive Director of the Company. He possesses multiple skill sets to head various departments such as Technical, Marketing and Business Operations. |
| 4.      | Remuneration proposed  | ₹ 198 Lakhs per annum (w.e.f. 1st April, 2023)  | ₹ 198 Lakhs per annum  | ₹ 198 Lakhs per annum   | ₹ 304.20 Lakhs per annum  | ₹ 200 Lakhs per annum and variable incentive not exceeding ₹ 100 lakhs per annum.   |
| 5.      | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the reverent details would be w.r.t. the country of his origin) | The salary payable to Mr. Prem Kumar Bhajanika is in line with current industry standards.  | The salary paid to Mr. Sajjan Bhajanika is in line with current industry standards.  | The salary paid to Mr. Sanjay Agarwal is in line with current industry standards.   | The salary paid to Mr. Rajendra Chamaria is in line with current industry standards.  | The salary payable to Mr. Pankaj Kejriwal is in line with current industry standards.   |

| Sl. No. | Particulars  | Mr. Prem Kumar Bhajanka<br>Managing Director   | Sajjan Bhajanka<br>Managing Director   | Mr. Sanjay Agarwal<br>Managing Director   | Mr. Rajendra<br>Chamaria<br>Managing Director  | Mr. Pankaj Kejriwal<br>Executive Director  |
|---------|--|--|--|---|--|--|
| 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. | Apart from receiving managerial remuneration, Mr. Sajjan Bhajanka is not having any pecuniary relationship with the Company. | Apart from receiving managerial remuneration, Mr. Sanjay Agarwal is not having any pecuniary relationship with the Company. | Apart from receiving managerial remuneration, Mr. Rajendra Chamaria is not having any pecuniary relationship with the Company. | Apart from receiving managerial remuneration, Mr. Pankaj Kejriwal 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                       | <p>The Company believes that it is well positioned to capture significant growth opportunities and profitability because of its following principal competitive strengths:</p> <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- 22435029/2248-2248

Email: 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:

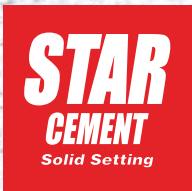
|  |  |
|--|--|
| Folio No. / DP ID & Client ID            |  |
| Name of the First Registered Holder      |  |
| Name of the Joint Holder(s), (if any)    |  |
| Registered Address                       |  |
| Email ID (to be Registered)              |  |
| Signature of the First Registered Holder |  |
| 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.







[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 Main Road,  
CPT Colony, Taratala, Kolkata 700 088, West Bengal