

# RESPECT. RECALL. REPUTATION.



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## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# **RESPECT. RECALL. REPUTATION.**

At Star Cement, we believe that sustainability is best derived from the strength of the brand.

At our Company, our brand generates a superior unaided recall, respect and a long standing reputation for superior products, processes and practices.

This complement – respect, recall and reputation – has translated into consistent profitability which leads to the Company's business sustainability.

# STAR CEMENT.

Defined by the highest product quality.

Attractive brand visibility and traction.

Strong logistics leading to lower costs.

Robust financial planning.

The result is that Star Cement is one of the most profitable cement manufacturers in India today.

## Ethos

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### VISION

To become the fastest-growing and one of the most competitive cement company in Eastern India

To be respected for a high level of integrity and value



### MISSION

Provide utmost satisfaction to the consumer by providing the best quality of cement and after-sales customer care support

Continuous upgradation of the product through innovation and convergence of new technology to produce the best quality at the lowest cost

Safeguard and enhance shareholder value

Utilise the surpluses for the welfare of all its stakeholders

## Pedigree

Incorporated in 2001, Star Cement Limited is the largest cement manufacturer in North-eastern India on the back of strategically located plants, easy availability of raw materials and superior brand recall.

## Facilities

The Company along with its subsidiaries has four manufacturing units in Meghalaya, one in Assam and two outsourced units in West Bengal with a cumulative clinker capacity of 2.80 Mn tonnes per annum (MTPA), cement manufacturing capacity of 4.3 MTPA and power generation at 51 MW. Star Cement's integrated cement plant at Lumshnong (Meghalaya) is spread across 200 hectares with proximity to key raw materials like limestone. The Company's grinding unit at Guwahati and other outsourcing units in Bengal enjoy a locational advantage in being proximate to downstream consuming markets.

## Geographic footprint

The Company is the most reputed brand in North-East India with a 23% market share. The Company's Star Cement brand commands a visible footprint across Eastern India, which will be reinforced when the Company's grinding unit in Siliguri (West Bengal) is commissioned.

## Robust trade network

The Company's distribution network is spread across 10 states in Eastern India. While its peers adopted the wholesaler-driven model, the Company invested in a strong retail network comprising more than 2,100 dealers and 9,000 retailers.

## Product portfolio

The Company's product portfolio comprises Ordinary Portland Cement (43 and 53 grades), Portland Pozzolana Cement Part-I fly ash-based, Portland Pozzolana Cement Part-II and Portland Slag Cement.

## Institutional clientele

The Company's commitment towards producing superior quality product has helped roped in prominent institutional customers like L&T, NHPC, Public Works Departments, Indian Railways and the Ministry of Defence, among others.

## Resolute compliance

The Company's manufacturing facilities has been accredited with the ISO 9001:2008, ISO 14001: 2004 and OHSAS 18001 certifications, validating the Company's quality management system, compliance with environmental norms and occupational health and safety, respectively.

## Our subsidiaries

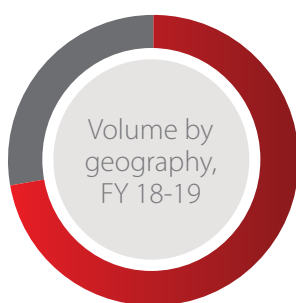
The Company comprises five subsidiaries - Megha Technical and Engineers Private Limited, Meghalaya Power Limited, Star Cement Meghalaya Limited, NE Hills Hydro Limited and Star Century Global Cement Private Limited.

## Credibility

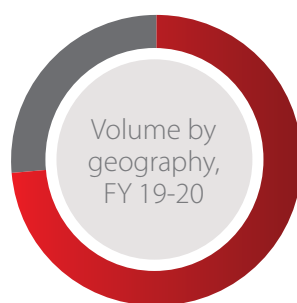
The Company maintained its short-term rating at A1+ and long-term rating AA-Stable by ICRA validating its business health.

## Listing

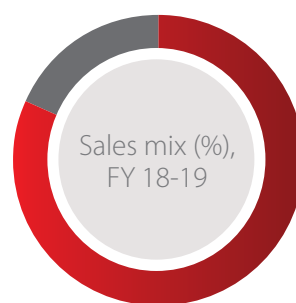
The Company is listed on both Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The market capitalisation of the Company stood at ₹3,755.17 Crore as on 31st March, 2020.



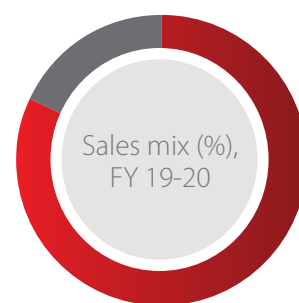
■ North East 72.3%  
■ Eastern India 27.7%



■ North East 73.8%  
■ Eastern India 26.2%

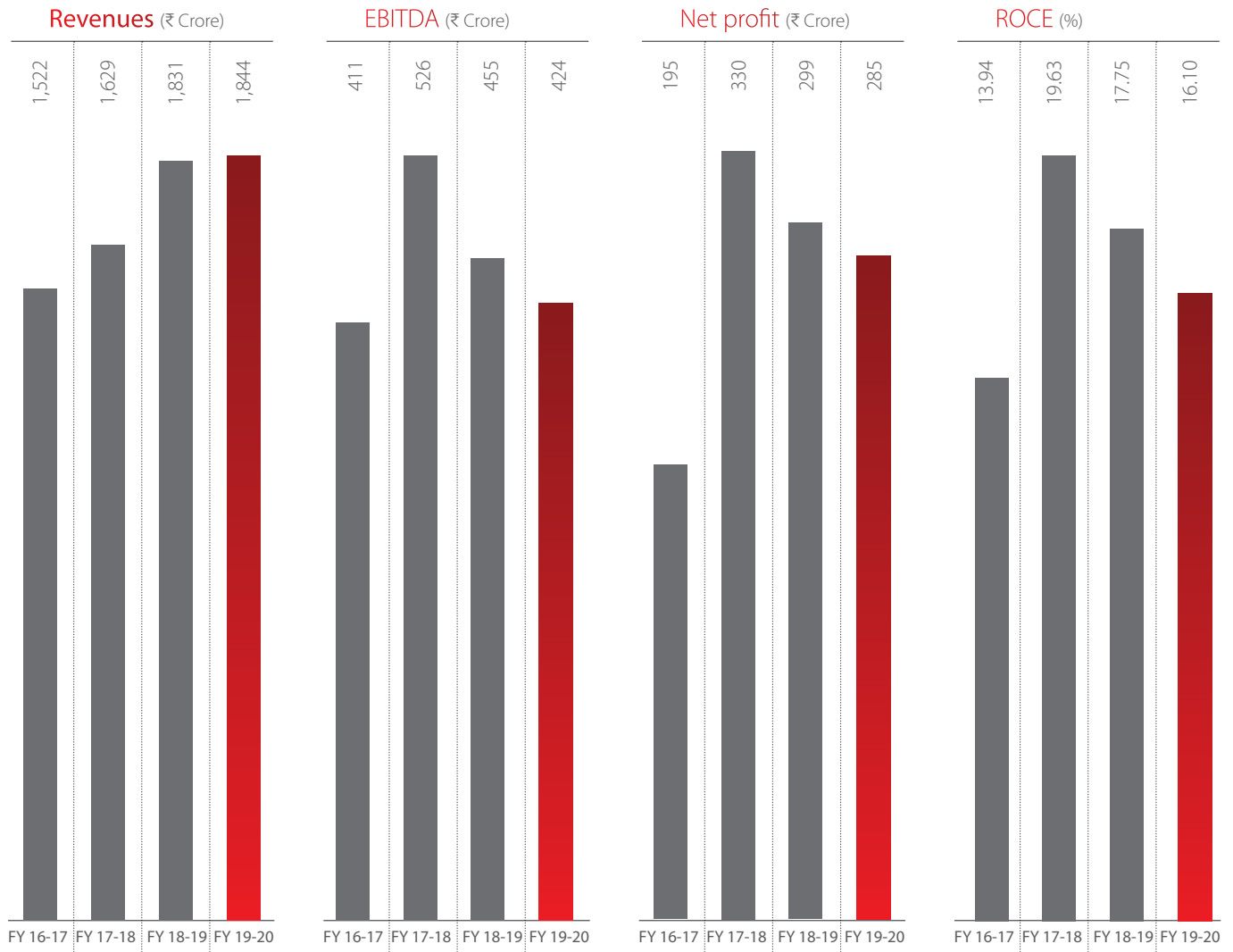


■ Trade 81.81%  
■ Non-trade 18.19%



■ Trade 82.16%  
■ Non-trade 17.84%

# HOW WE HAVE CONSISTENTLY GROWN OUR BUSINESS IN THE LAST FEW YEARS



## Performance, FY 19-20

Aggregate sales stood at ₹1,844 Crore in FY 19-20 against ₹1,831 Crore in FY 18-19 on account of market sluggishness and loss of sale due to the lockdown declared by the government on account of the COVID-19 pandemic in the last 10 days of March 2020.

## Performance, FY 19-20

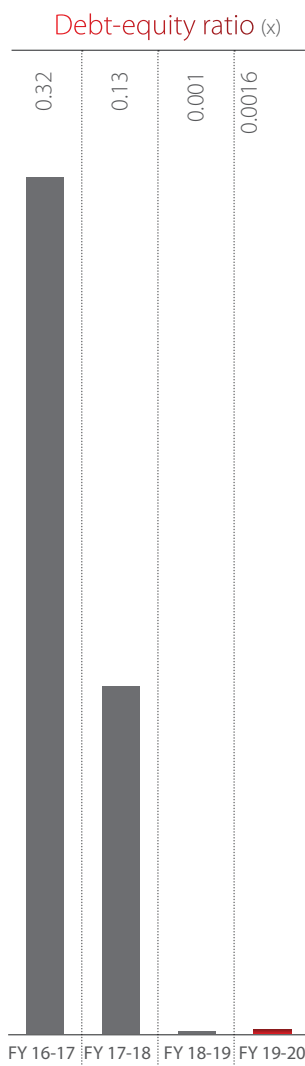
The Company reported ₹424 Crore of EBITDA in FY 19-20, which was lower than the previous year on account of extended market sluggishness and increase in fuel costs.

## Performance, FY 19-20

The Company's net profit (after minority interest) declined 4.84% on account of market sluggishness and increased costs.

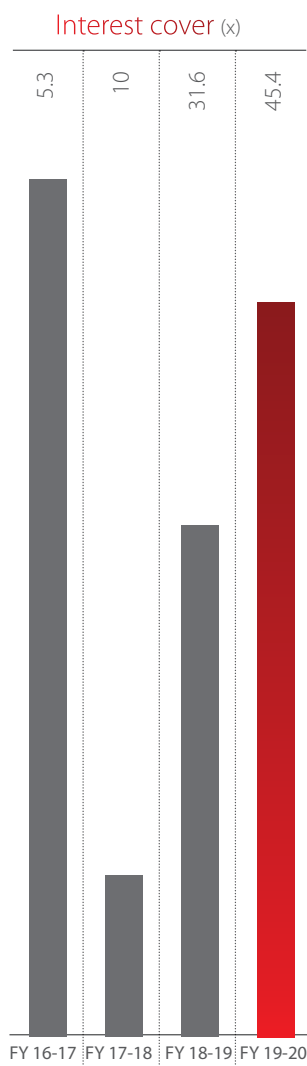
## Performance, FY 19-20

The ROCE of the Company declined 165 bps over the previous year due to market sluggishness and increased expenses.



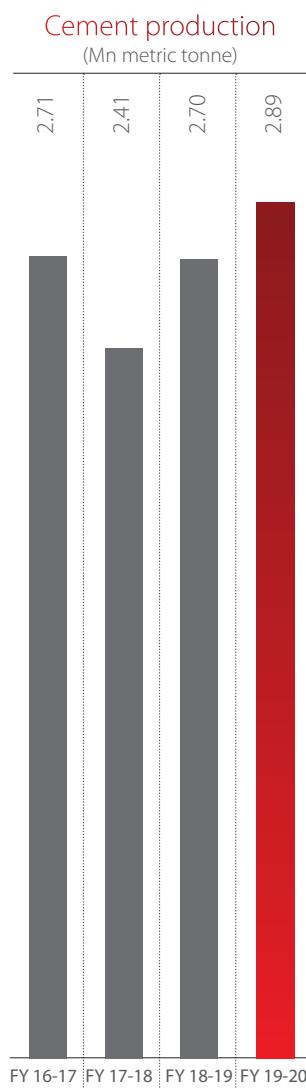
#### Performance, FY 19-20

The Company's debt-equity ratio stood at 0.0016x in FY 19-20 compared to 0.001x in FY 18-19, showcasing the Company's debt-free position for two years.



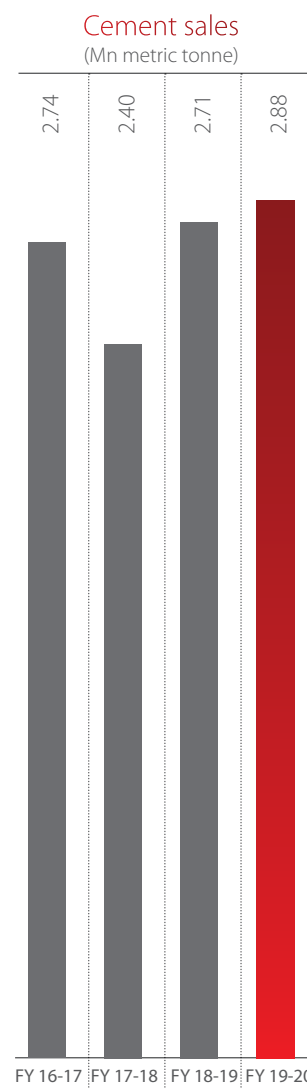
#### Performance, FY 19-20

Interest cover was a robust 45.4x on account of high liquidity arising out of an almost debt-free position net cash position.



#### Performance, FY 19-20

Cement production was 2.89 Mn metric tonnes during the year under review.



#### Performance, FY 19-20

Cement sales stood at 2.88 Mn metric tonnes, an increment of more than 6% over the previous year following stronger marketing.





# CHAIRMAN'S OVERVIEW

*Dear Shareholders*

**T**he world is passing through such an uncertain times that it would only be honest to confess that there is no

precise visibility for demand, revenues or offtake at this point of time. The reason for this haziness is that virtually the entire world is dependent on the discovery of a vaccine that can moderate the impact of COVID-19 pandemic and until one is developed, it would be difficult to estimate how, when and in what quantity demand will revive.

At Star Cement, we were not affected as much by the virus impact during the financial year under review as much as we were during the first quarter of the current financial year. The spread of the virus and lockdown only reinforced our conviction that for businesses to sustain through the lockdown a strategic clarity is primary. The truly sustainable companies will effectively resist a sharp downside in revenues, profits and margins during this downtrend but recover faster when conditions revive.

Companies that invested in governance will be better equipped to endure. I am happy to communicate that Star Cement was structured around a sense of governance from the time it went into business. We exist to address a specific purpose – in our case, brand-led cement manufacture in relatively under-addressed regions

at one of the lowest prevailing costs – and will find it relatively easier to protect our brand and viability during this challenging period.

A company like Star Cement extended beyond a generic positioning and addressed specific market segments, strengthening its competitiveness. The result is that our brand recall is that of a first-rate customer-driven cement quality manufacturer.

A company like Star Cement was built around scale and austerity to survive downtrends and recover fastest following improved sentiment.

A company like Star Cement placed a greater priority in drawing down its long-term debt with speed, managing growth through accruals and generating surplus cash on our books, strengthening our long-term competitiveness.

A company like Star Cement retained stakeholders and protected its ecosystem, strengthening its position to capture emerging upturns with speed.

The principal message that I wish to convey to our shareholders is that Star Cement is attractively placed to protect its eco-system, outperform or match sectorial growth and deepen its sustainability across market cycles.

**Sajjan Bhajanka**  
Chairman

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# AT STAR CEMENT, GOVERNANCE LIES AT THE CORE OF OUR SUSTAINABILITY

At Star Cement, what we manufacture in our factories is cement/clinker; what we market in the retail stores is a peace of mind.

This is because what we manufacture today will be tested across the years; the cost of any under-delivery in the quality of our product could have extensive implications for our consumers.

At Star, we believe that peace of mind is why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us with risk capital, why bankers lend and why communities support us. Over the years, we have invested in enhancing this trust quotient through various initiatives that have been described in this document. The ability to provide a complete peace of mind can only be consistently assured if our governance framework is secure, scalable and sustainable.



## Discipline

At the base of our governance pyramid lies the discipline of strategic consistency. Over time, this discipline has helped the Company generate revenue, delta and productivity visibility across market cycles. Besides, it has enhanced the trust of our various partners who are assured of how we will respond to external developments, validating the stability of our responses.



## Doing things the right way

At Star, we believe governance is nothing more than the commitment to do the right things in the right way. On the one hand, this enhances our organisational efficiency; on the other hand, it reinforces our ethical commitment. We believe that a combination of both has strengthened our eco-system, reinforcing our sustainability.



## Long-term

At Star, we have selected to build the business around long-term patience. This approach has influenced all the investments we have made in our assets, technologies, brands, people, locations, products and trade partners. For instance, we invested more in plant infrastructure and technologies with the perspective that this would not just provide us with a superior product quality but would be future-proofed from technology obsolescence and enhance our productivity across the years. We believe that this approach – expensive upfront but considerably low cost when seen from a long-term perspective – has translated into the highest standards of technology, integrity and competencies at our Company. This commitment to 'Do Right' has translated into business robustness and stability.



### Singular focus

At Star, core competence is our biggest insurance against industry volatility. The Company has not diversified away from its core business: on the contrary, our increased investments have strengthened our brand, made it possible to service the growing appetite of our customers and helped us moderate our capital costs per tonne, strengthening our competitiveness.



### Controlled growth

At Star, we believe that business sustainability is generated from controlled growth. The Company focused on investment through accruals without stretching the Balance Sheet. The result is that the Company is one of the most under-borrowed per tonne of installed capacity and correspondingly one of the most profitable margins (EBITDA per tonne) in India's cement sector.



### Board of Directors

At Star, we believe that our strategic direction is largely influenced by our Board of Directors. In view of this, we have placed a premium on our Board composition, which comprises professionals and industrialists of repute. These individuals have enriched our values, knowledge, economic understanding and strategic bandwidth.



### Balanced approach

At Star, we balance caution and aggression (strategic aggression but tactical caution). We focus on capital investments that generate an attractively short-term payback compared with the prevailing sectorial average, maximising cash flows. The result is that despite our scale, we possess a net debt-equity ratio that is one of the lowest in our sector.



### Process-driven

At Star, we balance promoter and professional management roles. The Company deepened investments in processes, which represents a scalable foundation. We invested in a culture of overarching excellence, reflected in strategic stability, checks and controls, resource productivity and manufacturing efficiency.

### Audit and compliance-driven

At Star, we strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers. The result of this high-review culture is that the Company hardly incurred any statutory penalties in its existence.

# THE MANAGING DIRECTOR'S OPERATIONAL REVIEW

## Overview

I am pleased to present the performance of the Company during the year under review.

The Company's sales volumes grew 6%, revenues strengthened 1% while EBITDA declined from ₹455 Crore to ₹424 Crore and profit after tax declined from ₹299 Crore to ₹285 Crore in FY 19-20.

The Company's performance was creditable on account of the sluggishness within the Indian economy and the national lockdown imposed in late March 2020, which resulted in a loss of nearly ten operational days. The imposition of the lockdown increased field costs, affecting profitability. Besides, the last fortnight of the financial year is usually a period of high offtake when buyers accelerate offtake to complete their annual procurement quota for that financial year. The result is that the lockdown eroded nearly 1 Lakh tonnes of projected offtake that moderated profits by an estimated ₹18-20 Crore. Had the lockdown not taken place, the performance of the Company would have been better. The profit decline is also attributed to increased fuel costs.

## Challenges

The Company encountered a number of challenges in addition to the lockdown.

The Indian economy weakened during the course of the year, affecting cement offtake. GDP growth declined from 6.1% in FY 18-19 to 4.2% in FY 19-20; during the

last quarter, GDP growth declined to 3.1%, one of the lowest in years.

During the year under review, there was a ban on coal mining in Meghalaya. The erstwhile practice of local coal sourcing was discontinued and replaced with coal imports or domestic purchase from Coal India Ltd & its subsidiaries during the year under review. The increased cost of delivered coal increased the cost of generating power and clinkerisation cost. A flood in the North East in August 2019 affected operations, moderating offtake.

## Counter-challenges

At Star Cement, we recognised that the most effective counter-initiatives in the face of these challenges were to exercise a stronger control on factors within our influence.

The result is that the Company deepened its culture of procurement, logistical, manufacture, marketing and branding excellence with the objective to moderate costs and protect its competitiveness.

The Company commenced the practice of delivering cement directly to dealers as against the erstwhile practice of routing it through depots. This re-direction made it possible for the Company to save logistical costs and respond with speed to the needs of trade partners.

The Company completed the construction of a railway siding at its cement plant, which made it possible to save handling costs and related losses as opposed to the earlier scenario when the railway siding

was 4 kms away. The ₹36 Crore investment in the construction of the railway siding is expected to generate a payback in 3-5 years, strengthening logistical competitiveness. The utility of the railway siding will increase when the Company's Siliguri grinding unit is commissioned, making it convenient to deliver clinker. We believe that the railway siding unit represents a platform that will generate multi-year benefits into the long-term.

The Company altered its customer mix. The proportion of cement sold to the retail trade increased from 81.8% in FY 18-19 to 82.2% in FY 19-20. The growing preference to market products through trade channels has helped the Company protect or strengthen realisations as compared to the institutional segment where realisations are generally lower.

The Company moderated brand investments around the time of the pandemic outbreak, conserving resources.

## The regional optimism

North East India possesses a clinker capacity of 8.5 Mn tonnes and a cement capacity of 11.3 Mn tonnes. The demand for cement in the region is estimated at 9.4 Mn tonnes.

There are a number of reasons why we are optimistic of our prospects.

Demand growth in North East India ranges between 8 and 9% a year, based on our experience of the last couple of decades. This provides us with adequate scope to market additional cement year-on-year. Assam, the largest state in the region, is expected to grow at a 9-10% CAGR between FY 15-16 and FY 20-21, virtually twice the pace of the Indian economy.

The per capita consumption of cement in North East India is about 142 kgs compared with the all-India average of

The proportion of cement sold to the retail trade increased from 81.8% in FY 18-19 to 82.2% in FY 19-20.

around 225 kgs and a global average of around 500 kgs. The result is that North East India is a fraction of the global average but increasingly marked by higher income, which is expected to accelerate the offtake of cement going forward.

### Outlook

There is an uncertainty about the sectorial outlook in the current financial year. The extensive demand destruction in the first quarter of the current financial year will make it difficult to exceed the numbers we reported in the last financial year; in view of this, even matching the performance of FY 19-20 would be an achievement in the circumstances.

On the positive side, rural demand in North East India does not appear to have been considerably affected. The Company expects to increase brand spending across Eastern and North Eastern India with the objective of deepening its recall and carving away a larger market share.

The Company expects to commission its 2 Mn TPA cement grinding unit in Siliguri during the second half of the current financial year. We believe that the presence of a grinding unit will empower us to create a larger market for our products and strengthen our relations with trade partners who will be more assured of quicker and larger supplies. We will also enhance our corporate respect as a player extending from North East to Eastern India with a decisive investment. Following this expansion, we are confident of competing more effectively in Bengal and Bihar. This grinding facility will empower the Company to address a sustained 8-10 per cement growth coming of this market. In the next 3 -4 years, we expect to emerge as a company with 40% of our sales derived from Eastern India and 60% sales from North Eastern India.

An increase in our proprietary cement manufacturing capacity from 3.7 Mn TPA to 5.7 Mn TPA will create a gap between our clinker manufacturing capacity and captive appetite. At the moment, the Company manufactures around 2.8 Mn TPA of clinker; following the commissioning of our Siliguri grinding unit, the Company expects to embark on the expansion of its clinker capacity by 2 Mn TPA, increasing our ability to service our growing needs from within. We possess adequate limestone reserves to last another 80-plus years based on the projected consumption at the expanded capacity. In view of this, we have drawn out an expansion plan to grow to a 10 Mn TPA company around 2025.

### Overview

At Star Cement, we are cautiously optimistic of our prospects for good reasons. We believe that the demand for cement in North Eastern and Eastern India will grow faster than the national average. At Star Cement, we expect to match or outperform the growth of the cement industry in these regions. In turn, we expect to maximise realisations by continuing to focus on the retail trade. We expect to seed the North Bengal and Eastern Bihar markets starting the second half the year without compromising realisations. We expect to leverage our cash surplus to grow capacities that helps moderate debt per tonne of installed capacity.

Besides, we will continue to deepen what we always done in the past, maximising efficiency across every aspect of our operations.

These may be the most challenging times seen in memory; we expect to continue outperforming our sector and ourselves.

The Company expects to commission its 2 Mn TPA cement grinding unit in Siliguri during the second half of the current financial year.

6

(%) Sales volume growth, FY 19-20

# THE IMPACT OF COVID-19 ON THE GLOBAL ECONOMY AND STAR CEMENT

## The COVID-19 pandemic

The pandemic is the most defining global crisis in living memory. The virus was declared a global pandemic by the World Health Organisation in March 2020. The Indian government implemented a national lockdown in late March 2020, which covered the comprehensive closure of offices, factories and public places.

## Star Cement's responsiveness

Star Cement shut its offices and manufacturing facilities in India in line with the government directive from late March 2020. The Company's management team responded with modern digital communication technologies, infrastructure disinfection and Work from Home for employees.

The Company resumed manufacturing operations at different dates as per approvals received from the respective State Administrative authorities; the plant in Assam was operational from late April 2020.

## How Star Cement protected its stakeholder interests during the COVID-19 lockdown



### Customers

Resumed supplies from the latter part of April 2020. Maximised precautions during product delivery



### Employees

Implemented high workplace safety / sanitation protocols

Transitioned smoothly to working from home

Facilitated secured virtual meetings



### Investors

Sustained focus on a healthy Balance Sheet

Cash and cash equivalents of ₹281.01 Crore as on 31st March, 2020

Focused on cost rationalisation

# OUR COMPETITIVE BUSINESS MODEL

North East and Eastern India cement markets growing faster than the Indian cement sector average

## Prudent geographic selection

Demand exceeding supply > Fiscal incentives for investment > Rich limestone availability

## Cost leadership

High asset utilisation > Proximate resource access > Low utilities consumption

## Superior realisations

Visible brand > Retail focus > Wide and deep distribution

## Robust Balance Sheet

Debt-free > Cash on the books > Efficient working capital management

Among largest cement players in NE India

+

Increased capacity from 0.4 Mn MT to 3.7 Mn MT in 15 years

=

Among one of the highest EBITDA per tonne in Indian cement industry

+

Among lowest interest costs among cement players

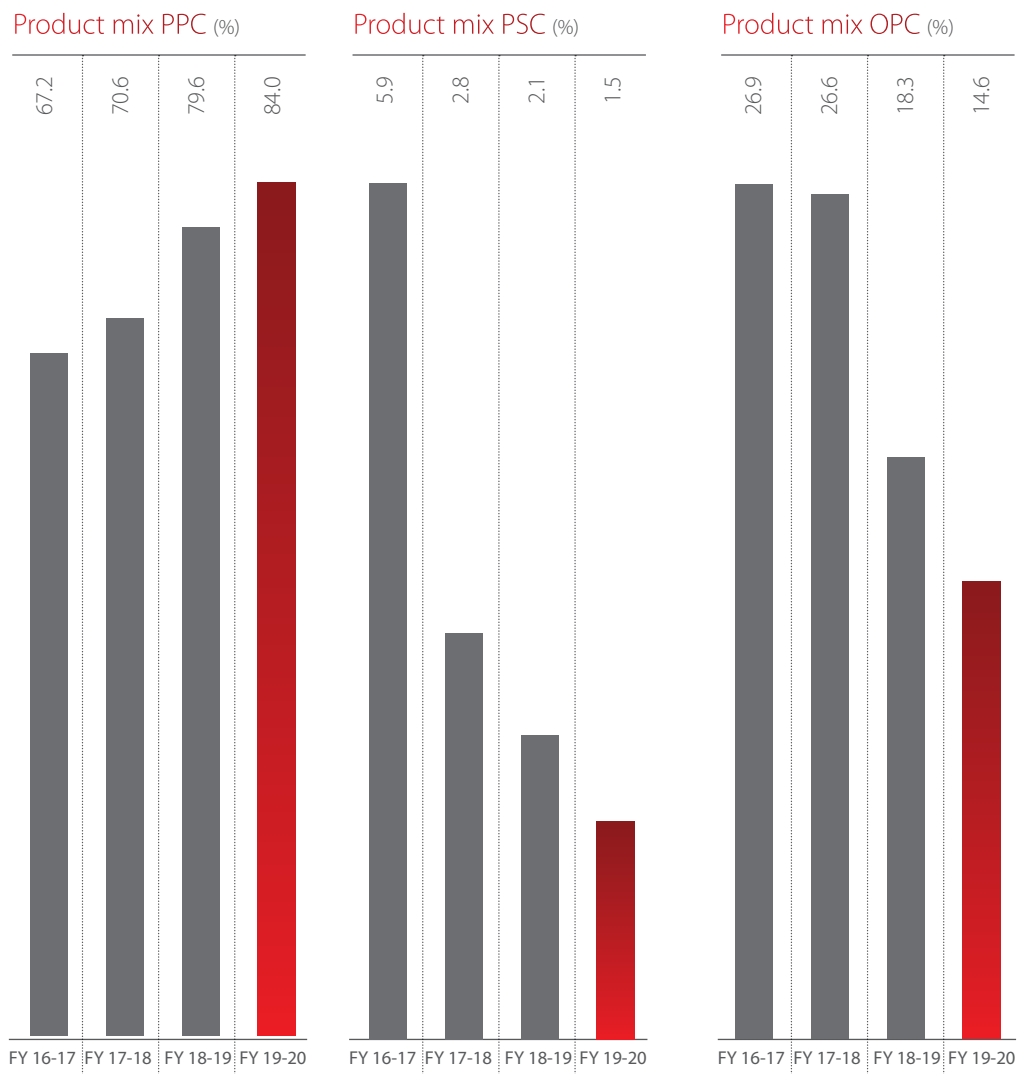
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Profitable growth

<b>Region</b> <ul style="list-style-type: none"> <li>Proactive capacity creation</li> <li>Capacity creation in under-provided regions</li> <li>Addressing core infrastructure projects</li> </ul>	<b>Shareholders</b> <ul style="list-style-type: none"> <li>Attractive market capitalisation</li> <li>Growth out of accruals</li> <li>Under-borrowed; sustainable</li> </ul>	<b>Customers</b> <ul style="list-style-type: none"> <li>Brand-driven product offtake</li> <li>Quality products</li> <li>Product integrity</li> </ul>
<b>Employees</b> <ul style="list-style-type: none"> <li>Professional management</li> <li>Personal and professional development</li> <li>Fair and equitable wages / contracts</li> </ul>	<b>Communities</b> <ul style="list-style-type: none"> <li>Environmentally safe operations</li> <li>Generating sustainable livelihood</li> <li>Contribution to exchequer</li> </ul>	<b>Environment</b> <ul style="list-style-type: none"> <li>Extra-statutory approach</li> <li>Complete compliance with statutory needs</li> <li>Focus on moderating carbon footprint</li> </ul>

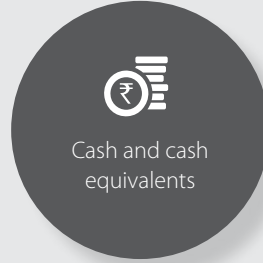
Star Cement: Among most competitive cement players in India

# 5 WAYS WE HAVE ENHANCED SHAREHOLDER VALUE

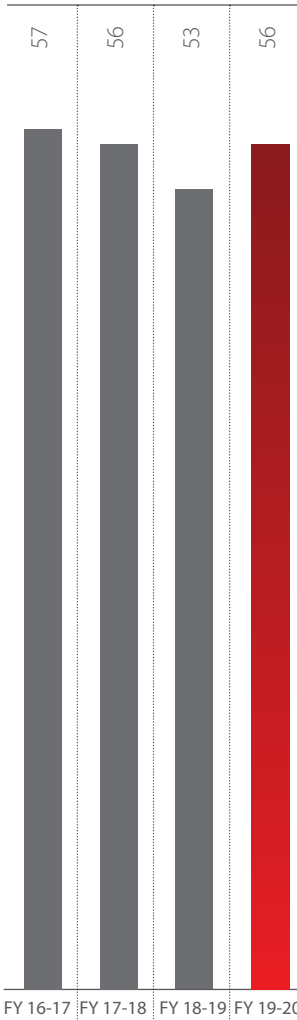


The Company focused on marketing superior and value added cement varieties.



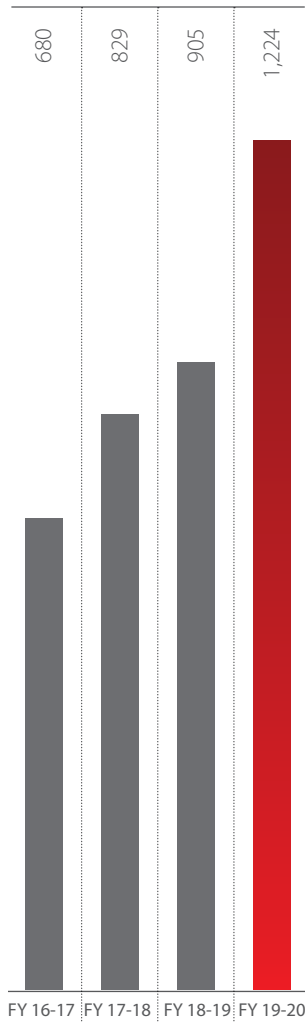


Capital cost per installed tonne (₹)



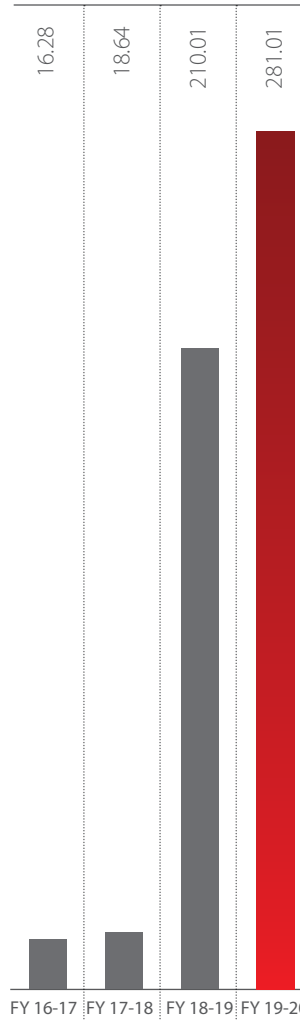
The Company focused on moderating capital cost per installed tonne of cement.

Power cost per tonne (₹)



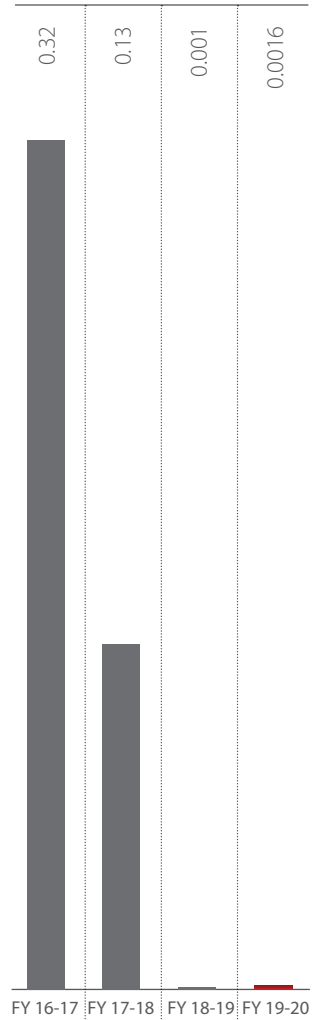
The Company's power costs increased due to an increasing volume of production and ban on coal mining in Meghalaya.

Cash and cash equivalents (₹ Crore)



The Company enhanced its cash surplus to emerge as one of the most liquid cement companies in the country.

Debt-equity ratio



The Company strengthened its gearing through the reduction of debt on the one hand and increase in net worth on the other.

# OUR STAKEHOLDER VALUE-CREATION REPORT, FY 19-20

*How we enhanced value in an integrated, inclusive and sustainable way*

## Overview

The Integrated Value-Creation Report represents the cornerstone of corporate success. This new measure overcomes the limitations of the conventional approach with a more comprehensive framework that captures a wider set of initiatives and addresses a larger family of stakeholders.

The Integrated Reporting approach explains the sectoral context, analyses

corporate strategy and competitiveness leading to different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organisation's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital on how an organisation enhances value. Its impact extends

beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.



## Drivers of Star Cement's value

At Star Cement, we believe that the interplay of value for our various stakeholders has translated into our business profitability and sustainability.

**Our employees** represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, branding, sales & distribution, finance etc.). Our focus is to provide an exciting workplace, generate stable employment, and enhance productivity.

**Our shareholders** provided capital when we went into business. Our focus is to generate cash flow, growing RoCE and enhanced investment value.

**Our vendors** provide credible and continuous supply of resources and services. Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability.

**Our customers** keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations. Our focus is to provide superior quality products to our customers.

**Our communities** provide the social capital (education, culture etc.). Our focus is to support and grow communities through consistent engagement.

**Our government** provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen.

At Star Cement, we believe that the prudent interplay of the value generated by each of our consistent payback ensures business sustainability and the ability to enhance organisational value.

## The resources of value-creation



### Financial capital

The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.



### Manufactured capital

Our assets, technologies and equipment for service delivery constitute our manufactured capital.



### Human capital

Our management, employees form a part of our workforce, the experience and competence enhancing value.



### Intellectual capital

Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

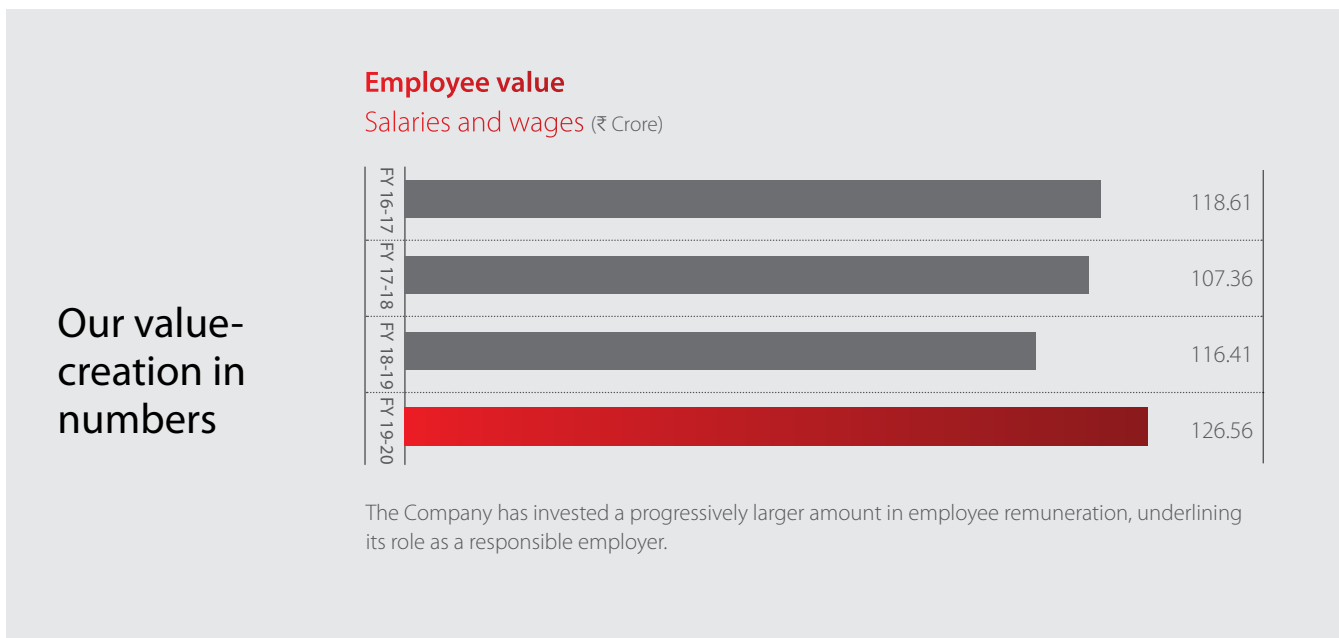


### Natural capital

We depend on nature and have a moderate impact on the natural environment.

Social and relationship capital: Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Our strategy	<b>Strategic Focus</b>	<b>Vendor Focus</b>	<b>Shareholder Focus</b>
	<b>key Enablers</b>	Star Cement has generated a growing appetite for resources and services, a robust platform for its vendors with a long-term focus.	Star Cement emphasises governance, operational excellence, cost leadership and information transparency  The Company is focused on increasing its annual topline coupled with profitable growth.  The Company strengthened shareholder value through a buyback of 68,00,000 equity shares of Re 1 each from all the existing shareholders / beneficial owners of the Company at a price of ₹150 each for an aggregate amount of ₹102,00,00,000 and paid an Interim Dividend @ 100% i.e., Re 1 each per equity share of face value of Re 1 each.
	<b>Material Issues / Addressed</b>	Superior use of cutting-edge technologies leading to differentiated solutions.	Creating the basis of long-term viability through a superior price-value proposition.





### Customer Focus

Star Cement has emerged as a brand of choice for consumers. The Company possesses a strong retail network comprising more than 2,100 dealers and 9,000 retailers.

Enhancing revenue visibility through diversified product offerings.



### Employee Focus

Star Cement is an employer of more than 1,800 people across locations. The Company facilitated personal and professional development, strengthening people retention and superior use of knowledge

Creating a professional culture seeking overarching excellence in everything the Company does.



### Community Focus

Star Cement is engaged in community-strengthening initiatives near its manufacturing facilities (Meghalaya, Assam, West Bengal). The Company generously supported around 76,000 flood-affected people in Assam and West Bengal as a part of flood relief programme along with various CSR activities for the people in and around plant area related to social uplift, education, health & satiation.

Allocated more than 2% of the profit towards CSR activities.



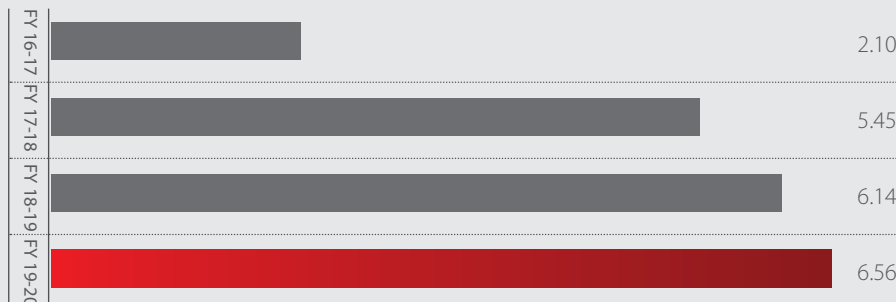
### Government Focus

Star Cement pays taxes timely, generates local employment, complies with laws and statutes and enriches the communities where it is present.

The Company regularly pays government in the form of taxes and duties.

## Community

CSR spending (₹ Crore)



The Company enriched communities across its presence through initiatives aimed at providing food and clothes, education, healthcare, rural and urban infrastructure development and environmental protection.

# OUR BUSINESS MODEL

The business model is the system chosen to organise inputs, business activities (processes), outputs and outcomes, with the objective of creating value in the short, medium and long term.

## The context of our sector

### Rising population

India is the second-most populous country with a population of around 1.36 Bn in 2019 and growing at >1% per year, the largest population increment anywhere. On the back of the rising population, the cement demand is set to increase rapidly as well due to the increasing demand of houses and infrastructure.

### Rapid urbanisation

By 2030, approximately 40% of the population could reside in urban India from 34% today, creating an additional demand for 25 Mn affordable housing units.

### Real estate development

The Indian real estate sector attracted investments worth USD 6.2 Bn in 2019, a y-o-y growth of 8.7% from 2018, driving the cement industry in the year under review.

### Growing nuclear families

According to the 2011 Census, ~74% households have five or fewer members. The fall in the average household size with higher disposable incomes has been driving the demand of houses and in turn, cement in the country.

### Per capita consumption

The per capita cement consumption of cement in India was pegged at 210 kg

compared to a global average of 575 kg, indicating headroom for growth.

### Housing shortage

India is experiencing a shortage of 10 Mn affordable housing units, indicating a robust growth prospect for demand of cement in the country in the foreseeable future.

### North east growth

North East India has emerged as a growth engine for India. The Ministry of Development of North-East Region (DoNER) sanctioned 49 projects worth ₹1,232 Crore. The projects include 8 new projects for ₹586.3 Crore under the North East Road Sector Development scheme (NERDS) and the North East Special infrastructure Development scheme (NESIDS).

### Infrastructure growth

In the Union Budget FY 20-21, USD 1.41 Trn has been allocated for infrastructure development. Private equity and venture capital investments in the infrastructure sector reached USD 14.7 Bn in 2019. With the focus of boosting investment in infrastructure, the demand for cement is expected to grow.

*(Source: Economic Times, Business Today, Invest India, Business Standard, Bloomberg)*

## How we are capitalising on a growing opportunity

### Brand recall

The Company enjoys a strong brand recall in market owing to superior quality, availability of products and wider product bouquet.

### System-driven

The Company professionalised the management and invested in systems, processes and technologies that enhanced strategic consistency.

Trust: The Company is in business to enhance a sense of trust – with its customers through superior products, with employees through the assurance of stable career growth, with vendors through an emphasis on the use of the highest product quality standards and with communities through the use of responsible practices and supportive engagement.

### Capex

The Company has proactively invested in capacity expansion to address the growing demand of its customers. Over the years, the Company increased its clinker capacity from 0.3 Mn metric tonnes per annum in 2004 to 2.80 Mn metric tonnes per annum as on FY 19-20 and cement manufacturing capacity from 0.4 Mn metric tonnes per annum in 2005 to 3.7 Mn metric tonnes per annum in FY 19-20 in addition to 0.6 Mn tonnes per annum of outsourced capacity.

### Operational footprint

The Company believes that success lies in widening the business across a manageable area. In the last few years, the Company cautiously widened its footprint from North Eastern region to Eastern region (West Bengal and Bihar). The combination of these markets will strengthen the Company's business momentum, profits risk and sustainability.

### Financial leverage

The Company's gearing stood at 0.06x in FY 19-20 compared to 0.07x in FY 18-19; interest cover strengthened from 31.60x to 45.40x during the period. Star Cement's short-term rating was maintained at A1+ and long-term rating to AA- Stable by ICRA.

### Branding

The Company focused on concentrating launches in select markets backed by growing budget outlays, innovative marketing, use of diverse media, regional celebrity endorsements and adequate manufacturing capacities. The Company spent 2% of revenues on branding across the last five years.

### Employees

The Company provides a fair, engaging and exciting workplace that has helped retain its knowledge-driven professionals. The Company successfully retained nearly 92% of its senior management across the last three years. More than 27% employees had been with the Company for ten years or more as on 31st March, 2020.

### Clientele:

The Company enjoys a strong client base across its major markets in the North east, addressing the demanding needs of prominent institutional clients like NHPC, HCC, Simplex Infrastructures, Oil India, NTPC and L&T, among others (non-trade sale at 17.84% in FY 19-20).

### Go 'green'

The Company invested in environment-protecting assets and infrastructure, enhancing respect, customer confidence and performance integrity. Furthermore,

the Company also automated plant lighting through LED alternatives, reducing power consumption enabling it to reduce costs.

### Backward integration

The Company commissioned the first integrated cement and clinker unit along with a captive power plant in North East India (51 megawatts), enabling it to become self-sufficient and extending the value-chain.

### Locational advantage

The Company's manufacturing facilities enjoys resource proximity, helping moderate logistic costs. Limestone mines and coalfields are within 2-3 km and 10-20 km radius of our plants respectively.

## Outcomes of our resilient business model

Revenues grew at a five-year CAGR of 4.52% to ₹1,844 Crore

EBITDA grew at a five-year CAGR of 1.41% to ₹424 Crore

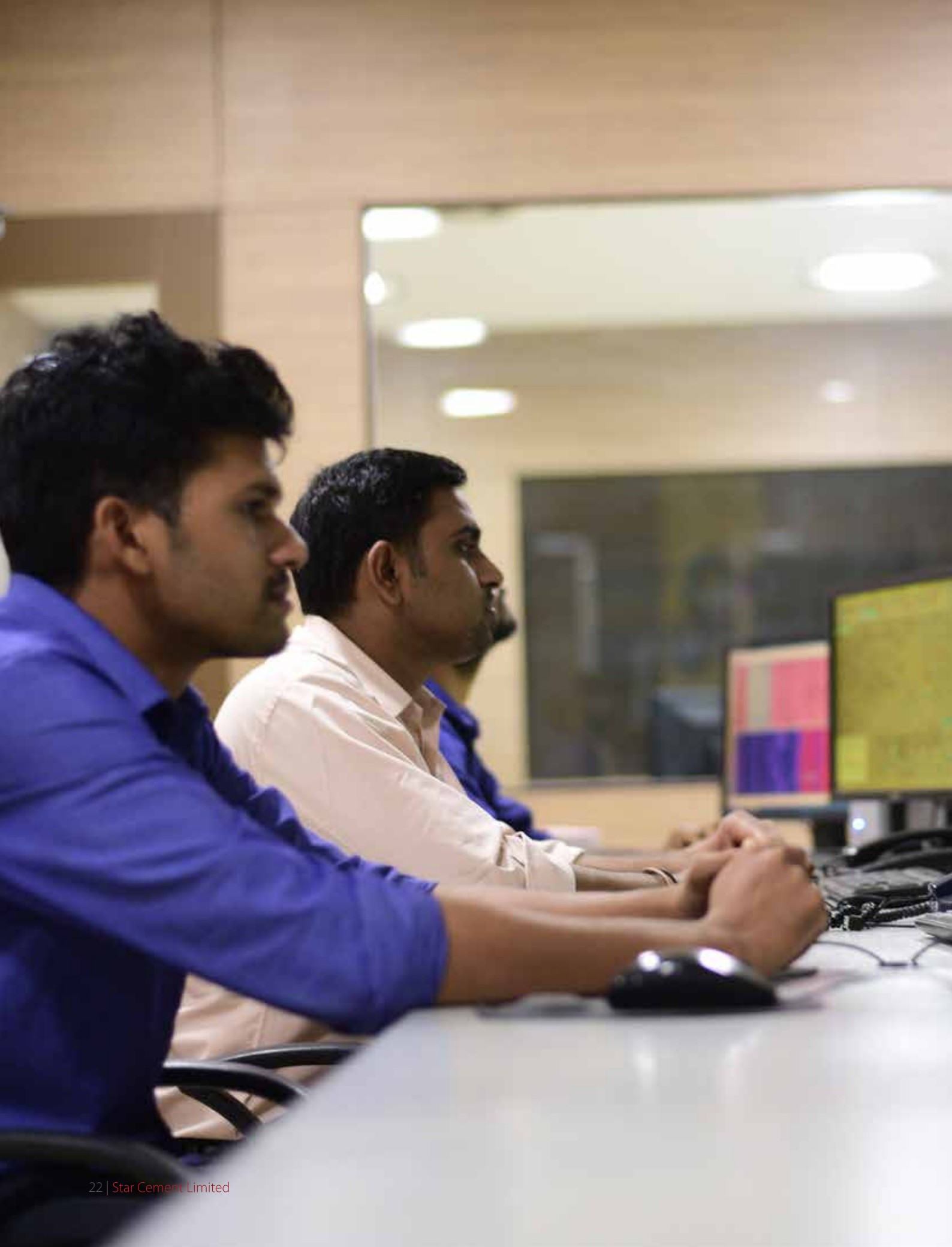
PAT grew at a five-year CAGR of 20.77% to ₹285 Crore

Earnings per share stood at ₹6.85 in FY 19-20

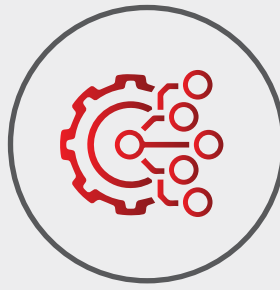
Gearing stood at 0.06x in FY 19-20

Interest cover strengthened from 4.8x in FY 15-16 to 45.4x in FY 19-20

Brand spending increased from ₹33.30 Crore in FY 15-16 to ₹35.29 Crore in FY 19-20







Business enabler#1

# HOW WE STRENGTHENED OUR TECHNOLOGICAL COMPETENCE

**Automation:** Over the years, the Company invested in automated processes to improve productivity.

**IT security:** The Company focused on building high standards of IT security ensuring protection of critical data

**Strategic cloud usage:** The Company's investment in Cloud provides a host of benefits: from per-user based application subscriptions (like Software as a Service) to storage solutions.

**Automation:** In 2016, the Company developed sales force automation application for sales, technical and branding professionals; this improved data quality, stock spreading across counters and real time information access

**STAR-Saathi:** The Company introduced a dealer app named STAR-Saathi to provide channel partners a platform to place and track orders (online and offline), view their current outstandings, ledger balances and their performance on a smartphone.

**STAR-Stellar:** This engineer's loyalty program allows engineers to recommend sites where Star Cement is being used and earn reward points which can be redeemed to choose gifts available on the app.

**Digital marketing:** The Company leverages social media platforms such as Youtube, Twitter etc to widen its visibility.

**Business WhatsApp:** The Company implemented Business WhatsApp to reduce the turnaround time in addressing business issues.

**Outlook:** The Company intends to digitalise its entire process with the help of AI, IoT and Machine Learning-driven applications to create a paperless environment and develop an efficient system.



Business enabler#2

# HOW WE INCREASED OUR VISIBILITY

**Campaign:** The Company launched a campaign 'Neta Ho Ya Cement, Sahi Chuno Solid Chuno' during the 2019 Lok Sabha Elections across North East India, West Bengal and Bihar. The Company engaged in the sponsorships of the elections through TVC, increasing visibility.

**Endorsements:** The Company extended its engagement with Hima Das, the first Indian woman athlete to win a gold of late at an international event.

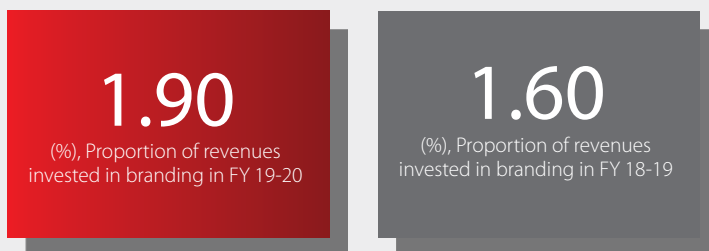
**New launch:** The Company launched Star Anti Rust cement through a 360 degree campaign 'Dhalai Mein Must Star Anti Rust' using above-the-line and below-the-line modes of promotion; it established the need for using Anti Rust Cement in dhalai applications.

**Mass branding:** The Company executed retail and mass branding initiatives through retail boards, cuboids, shop hoardings, TV, radio, print and out of home advertisements. The Company launched a visibility campaign through wall graphics and painting, rural vans and displaying television commercials in theatres to increase its rural outreach.

**Spending:** The Company invested ₹35.29 Crore in branding in FY 19-20.

**Outlook:** The Company intends to promote its brand aggressively across its areas of presence.

## Brand strengthening



**STAR**CEMENT  
Solid Setting



**DHALAI  
MEIN MUST  
STAR ANTI RUST**



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

**STAR**CEMENT  
Solid Setting

**THIS IS NOT JUST AN AD!**

***I AM BUILDING MY HOUSE  
WITH STAR CEMENT.  
ARE YOU?***



*Hima Das*



Business enabler#3

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# HOW WE ENHANCED OUR LOGISTICAL EFFECTIVENESS

**Private railway siding:** The Company commissioned a private railway siding at its Guwahati plant, enhancing efficiency

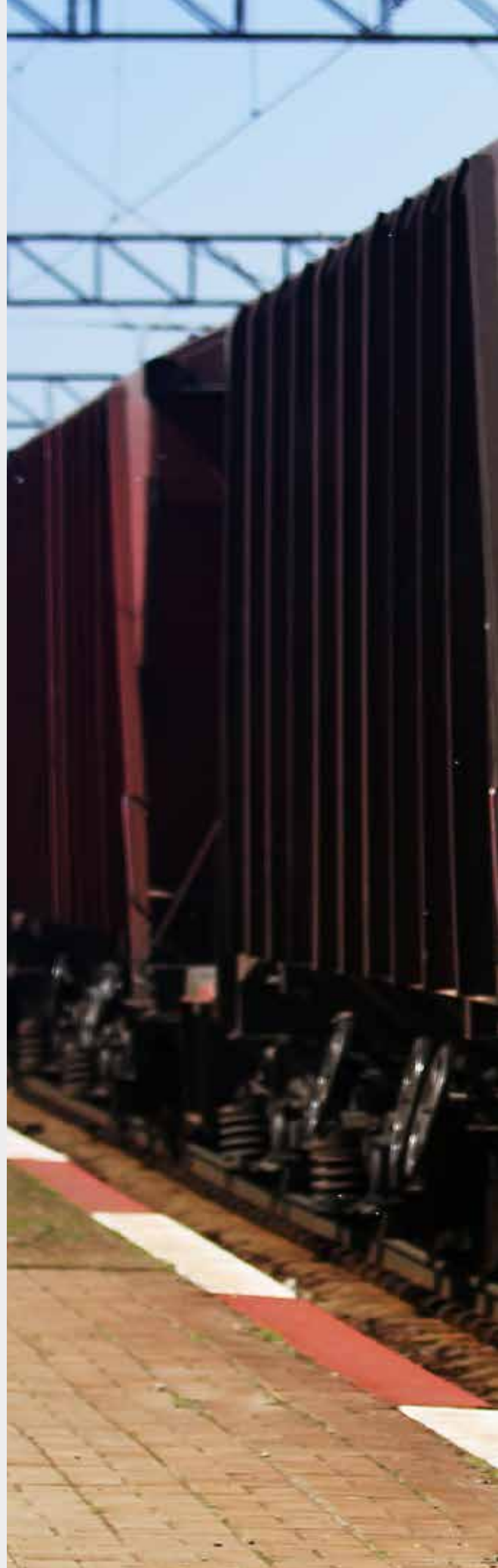
**Waterway:** The Company commenced trial runs to explore the riverine transportation of imported coal from the Haldia port to Guwahati through the River Brahmaputra.

**Fleet management:** The Company monitored its truck fleet through GPS network; more than 90% orders were executed within the service level of 24 hours

**Warehouse:** The Company's warehouse infrastructure helped its logistics remain agile in terms of expansion, closure, right-sizing and relocation.

**Multi-modal:** The Company utilised the right mix of dispatch modes (road, railway and waterways) ensuring uninterrupted supplies.

**Outlook:** The Company intends to digitise its supply chain; it is engaged in the process to reducing its turnaround time by implementing RFID-based vehicle management system







- OPC 15%
- PSC 2%
- PPC 83%



Business enabler#4

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# HOW WE STRENGTHENED OUR SALES AND MARKETING COMPETENCE

**Positioning:** The Company enjoys market leadership in North-east India.

**Sales growth:** Reported growth in sales by laying a keen emphasis on qualitative excellence and premiumisation.

**Deeper reach:** The Company's products are available across 10 states right down to remote and rural population clusters.

**Robust distribution network:** The Company enjoys a strong network of 2,100 dealers and 9,000 retailers, ensuring faster product availability.

**Strategic location:** The Company's plants are strategically located, which enable it to cater the growing demands in the Eastern and North-Eastern regions of the country, providing strong customer linkages and competitive cost advantage.

**Outlook:** The Company intends to counter the sluggishness of the first two quarters of FY 20-21 with a wider and deeper network.

Star Cement Lumshong plant in Meghalaya







Business enabler#5

# HOW WE ENHANCED OUR MANUFACTURING EXCELLENCE

**Output:** The Company achieved its highest total clinker production (SCL + SCML) of 22.15 Lakhs MT (previous best was 21.47 Lakhs MT in FY 16-17). Cement production stood at 26.47 Lakhs tonnes in FY 19-20 compared to 24.58 Lakhs tonnes last year, an increase of more than 7%.

**Cost savings:** The Company embarked on a number of initiatives related to lower energy loss from the kiln, minimised fine clinker surging, improved cyclone efficiency and improved insulation repair initiatives. The Company also used a mix of high and low calcium oxide contained limestone to moderate raw material costs.

**New system:** The Company installed a new clinker bulk loading system and hopper for alternate clinker feeding system to support bulk loading.

**Energy efficiency:** The Company replaced conventional flood light fittings with LED flood light fittings, entailing savings in power cost.

**Quality:** The Company produces the best quality cement in North East. The Company also produces cement with the highest strength and best colour in the North-eastern part of the country,

**Sourcing:** The Company sourced its coal requirement domestically (47%), imports (30%) and PET coke (23%).

**Outlook:** The Company intends to install new upgraded pyro jet main firing burner to improve operational efficiency; it intends to install roto scale coal feeding system to improve operations; it intends to install a vibrating screen in the tertiary crusher to improve raw mill grinding throughput; it intends to install variable frequency drives reduce power consumption.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products

and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. The Great

Lockdown, as a result of the pandemic COVID-19, is projected to shrink the global growth significantly starting from the calendar year 2020. (Source: *World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC*)

## Global growth over the years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

## Indian economic review

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of USD 2.94 Trn. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY 19-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY 18-19.

A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

## Y-o-Y growth of the Indian economy

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Real GDP growth (%)	8.3	7	6.1	4.2

	Q1, FY 19-20	Q2, FY 19-20	Q3, FY 19-20	Q4, FY 19-20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

## Indian cement industry review

Cement ranks second in volume among the industrial products manufactured in the world. The Indian cement industry accounts for >8% of the global installed capacity, second only to China. It is the fourth largest revenue contributor to the exchequer and the second largest revenue

contributor to the Indian Railways, contributing nearly USD 7.14 Bn (₹50,000 Crore) per annum to Government via taxes and levies and about USD 1.29 Bn (₹9,000 Crore) per annum to the Indian Railways by way of freight revenue.

The total installed capacity in the Indian cement sector was approximately 545

Mn tonnes per annum in FY 19-20, while cement production was approximately 334.48 Mn tonnes in FY 19-20, a capacity utilisation of around 61%. Of the total capacity, 98% lay within the private sector, wherein the top 20 companies accounted for ~70% share of the total production.

Dominated by domestic players, the Indian cement industry has been a first mover with regard to keeping pace with changing socio-economic and environmental paradigms, whether it is adoption of new technologies, adhering to stricter environmental standards or utilising other industries' waste produce.

Indian cement companies are amongst the world's greenest cement manufacturers. The industry is at par with Japan in energy consumption and adoption of green practices. The cement industry in India is the largest consumer of fly ash produced by Indian thermal power plants annually. It also consumes almost 100% of slag produced by India's steel plants. The industry has also improved its use of alternative fuels (AFs), raw materials

(ARM) and enhanced use of waste heat recovery (WHR) based power generation. In 2010, the Indian cement industry's share of India's total CO<sub>2</sub> emission was 7%, which now stands at 5%.

Transportation comprises about 20% of the retail price of cement. Share of rail transport for cement loading declined from 32% in FY 11-12 to 23% in FY 18-19. Cement companies was expected to be benefitted from falling global commodity prices. Power and fuel cost, which accounts for 26% of operating cost, was expected to reduce by 3-5% in FY 19-20 with softening in pet coke and coal prices

The production of country was pegged at 334.48 Mn tonnes in FY 19-20. FDI inflow in industry related to manufacturing of

cement and gypsum products reached USD 5.3 Bn between April 2000 and June 2019. Further, with the Government's increased focus on real estate in the country by focusing on smart cities and better roads and highways, would drive the demand for cement. Moreover, construction under PMAY-Urban and PMAY-Gramin is expected to generate 80-85 Mn tonnes of cement demand over the next 1.5-2 years.

The impact of lockdown for ten days in March has severely impacted the cement industry in India, which brought down cement production in FY 19-20. The prolonged rains and government-enforced nationwide lockdown shrunk the capacity utilisation rate from 70% in FY 18-19 to 61% in FY 19-20.

Aerial view of Star Cement plant in Meghalaya.



**Installed capacity and key markets in each of the geographic regions**



(Source: Indian Minerals Yearbook by Indian Bureau of Mines)

## General budgetary initiatives, FY 20-21

- Simplified version of GST to be introduced in 2020
- Dividend Distribution Tax to be removed, companies will not be required to pay DDT, dividend to be taxed only at the hands of recipients at applicable rates
- Concessional corporate tax rate of 15% to new domestic companies in manufacturing and power sector
- New income tax slabs proposed to bring more purchase power to end users
- Setting up of Investment Clearance Cell to provide end-to-end facilitation
- Firms operating old thermal power plants advised to shut units if emission norms not met
- Time bound adoption of Zero Effect scheme by all industries. Ministries are expected to issue quality standards soon.

## Growth drivers

**Increasing population:** India is the second most populous country after China, with a population of 1.36 Bn in 2019, validating the need for more houses and cement.

**Increasing incomes:** The nominal per-capita net national income in FY 19-20 was estimated at ₹1,35,050, a rise of 6.8% compared to ₹1,26,406 in FY 18-19, driving consumption.

**Urbanisation:** By 2030, approximately 40% of the global population could reside in urban India (34% today), catalysing the demand for cement in the country.

**Infrastructure development:** There has been steady growth in the implementation and completion of large infrastructure projects, especially in Northern and Central India. The Central Government-backed mega-infrastructure projects like Bharatmala, Sagarmala and Smart Cities are beginning to report increased traction in terms of project award and implementation, a trend that is likely to sustain and further drive the cement sector in the foreseeable future.

**Affordable housing:** The Indian housing and real estate segment is being driven by the demand emerging from India's affordable segment across rural and urban geographies. ~1.53 Crore houses were constructed under the Pradhan Mantri Awas Yojana between 2014 and 2018.

**Housing shortage:** According to Ministry of Housing and Urban Affairs, there was an affordable housing shortfall of approximately 10 Mn houses. With the government addressing this housing shortage, the cement industry is expected to receive huge traction.

**Highway construction:** In FY 19-20 (April to January), highway construction and expansion reached at ~27 km per day. The Central Government has estimated that 65,000 km of highways will be constructed at a cost of >₹5.35 Lakhs Crore by 2022. (Source: Times of India)

**Rural roads:** Since 2014, ~200,000 km of new roads were built across rural India at a rate of ~109 km per day. In the year under review, a sum of ₹19,500 Crore has been allocated in the Union Budget FY 20-21 towards Pradhan Mantri Gram Sadak Yojana (PMGSY). (Source: PMGSY)

**Metro railways:** Currently, 10 cities in India have a functional metro rail network spanning >500 km with the construction of >660 km across 15 cities under consideration. (Source: Economic Times)

**Airport:** The Government of India has planned on exponentially increasing the number of flights in its fleet to 1,200 airplanes by FY 23-24. In order to support these airplanes, the number of airports in the country will also be increased by 100, which would warrant increasing demand of cement. (Source: Economic Times)

**Port development:** A sum of ~₹550 Crore was allocated under Sagarmala to develop India's 'blue economy', a ~44% increase from the ₹381.08 Crore allocated in the previous year. Sagarmala, the Central Government's flagship programme to develop and modernise ports, was launched in 2015 with the prime objective of developing industrial hubs along the country's 7,500-km long coastline. (Source: Kotak Securities)

## Growth in cement demand



(Source: CRISIL)

## The North-east rationale

Eastern India accounts for 18% of India's cement capacity. Almost all eight north-eastern states in India are growing in 7-8%. To achieve the targeted approach of bringing the rest of India closer to the North-East, an action plan was formulated for the Ministry of Development of North Eastern Region (DoNER). DoNER planned to operationalise 200 projects worth about ₹3,000 Crore in the North eastern

region, an average two project comprising ₹30 Crore per day.

The Government allocated 30% of North Eastern Council's budget for new projects under the existing schemes of North-Eastern Council for focused development of deprived areas; neglected sections of society and emerging priority sectors in the North-eastern states. A portion of the funds can be utilised for building roads in remote hill regions and for addressing

climate change challenges in the North-east. The Government allocated ₹5,559 Crore for the construction of North East Gas Grid project across the eight states, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. The budgetary allocation for FY 20-21 was pegged at ₹3,049 Crore compared to ₹2,670 Crore in the Revised Estimate (RE) FY 19-20. (Source: *Economic Times, Live Mint, Deccan Herald, CMA India*)



### Railways

- In the Union Budget FY 20-21, the Government allocated 9% of total railway budget 2020 for the North Eastern states. The outlay includes a number of projects for laying new tracks, doubling of railway lines in the region including the newly proposed doubling of 381 km long Lumding-Tinsukia-Dibrugarh line at an estimated cost of ₹3,810 Crore. The three states namely Mizoram, Manipur and Sikkim are expected to be connected by railways by 2022.
- The Government aims to electrify the railway lines in the seven north eastern states by 2021.

- The Railway Ministry would execute 491 projects (189 new railway lines, 55 gauge conversion and 247 doubling projects) in seven north eastern states at a cost of ₹6.48 Lakhs Crore. The total length of these projects is 48,861 km and the total expenditure incurred (upto March, 2020) is ₹1.43 Lakhs Crore and length commissioned is 9,113 km.
- The Government aims to complete the 51.38 km Bhairabi-Sairang project in Mizoram by 2023.
- There are plans to extend railway lines to three remaining capital cities

of northeast India - Imphal (Manipur), Aizawl (Mizoram) and Kohima (Nagaland), excluding Meghalaya's Shillong and Sikkim's Gangtok by 2020.

- The Government aims to connect all capitals of North Eastern Indian states by a broad gauge rail link by end 2020.
- North-east India and Bangladesh is expected to be connected by Indian Railways line by 2021.

(Source: *Economic Times, Live Mint, Financial Express*)



### Roads

- The construction of four new bridges over the Brahmaputra, namely Majuli-Jorhat, Dhakuakhana-Tekeliphuta-Disangmukh, Gohpur-Numaligarh and one near Tezpur are at different stages of implementation.
- DoNER undertook 49 projects of ₹1,231 Crore for setting up of a bamboo industrial park in Dima Hasao district in Assam at a cost of ₹50 Crore and construction of eight new projects for ₹586.3 Crore under North East Road sector Development Scheme (NERSDS) and North East Special

Infrastructure Development Scheme (NESIDS).

- The average rate of highway construction in north east India stood at 1.5 km per day in 2019.
- Under NLCPR scheme, 577 projects worth ₹64,664 Mn (as of May 2019) have been approved for construction under NLCPR.
- The Government approved an amount of ₹53,370 Crore for infrastructure and socio and economic development of North eastern region during the FY 19-20.

Under the North East State Road Improvement Project (NESRIP), ₹9 Crore for four road projects (₹3 Crore for Garobadha to Dalu (93.5 km) Tranche-1 road in Meghalaya, ₹76 Lakhs for Serchhip to Buarpui (55 km) Tranche-II road in Mizoram, ₹2.63 Crore for Barpeta to Kalitakuchi (58.5 km) Tranche-1 road in Assam and ₹2.61 Crore for Udaipur (NH44) to Melaghar (20.3 km) Tranche-2 road in Tripura) has been released.

(Source: *Economic Times, Business Standard, the Print, NDTV*)

## Company overview

Star Cement Limited is one of the largest cement manufacturers in North Eastern India. The Company's state-of-the-art plant is spread across 200 hectares in the idyllic town of Lumshnong, a strategic location in Meghalaya that assures high-grade limestone availability. The Company's signature brand Star Cement is one of the most popular in the region. The Company's locational advantage, timely raw material linkages, sizeable capacity and brand positioning have helped it emerge as one of the most profitable cement manufacturers in North Eastern India.

### Risk management

The Company has a defined risk management policy. The aim of risk management is to identify, monitor and take precautionary measures with respect to events that may pose risks for the business.

**Demand risk:** A less-than-optimal demand growth in the region can lower revenues

**Mitigation:** Infrastructural development activities in North Eastern India mostly from the rural area have progressed at a

fair clip and the Company has capitalised on these incipient opportunities to emerge as the largest player in the region with a market share of >23%.

**Raw material risk:** Unavailability of raw material could decelerate production and lead to customer attrition.

**Mitigation:** Over the years, Star Cement has established a reputation of being a cost-competitive player. Its plants are located within a ~3 km radius of limestone mines and, providing the Company with an uninterrupted supply of raw materials and lowering freight costs. These captive quarries offer high quality limestone with a calcium oxide content of >49% (higher than the rest of India) and reserves that can potentially last >80 years with double clinker capacity.

**Concentration risk:** Concentration of operations in a particular location could lead to price under-cutting

**Mitigation:** Star Cement has evolved being from a North Eastern India-focused company to an Eastern India-focused company. SCL's extensive distribution network is spread across 10 states in Eastern India, comprising 2,100 dealers

and 9,000 retailers, ensuring last-mile access.

## Financial analysis, FY 19-20

### Balance Sheet

- Long-term debt decreased by 88% to ₹3 Crore as on 31st March, 2020 owing to timely repayment.
- Total non-current assets for FY 19-20 stood at ₹1,301 Crore compared to ₹1,148 Crore in FY 18-19

### Profit & Loss statement

- Revenues from operations increased 1% from ₹1,831 Crore in FY 18-19 to ₹1,844 Crore in FY 19-20
- EBITDA stood at ₹424 Crore compared to ₹455 Crore in FY 18-19
- Profit after tax decreased from ₹299 Crore in FY 19-20 to ₹285 Crore in FY 18-19
- Total expenses for FY 19-20 stood at ₹1,551 Crore compared to ₹1,502 Crore in FY 18-19
- Depreciation and amortisation stood at ₹93 Crore in FY 19-20 compared to ₹106 Crore in FY 18-19



## Key numbers

Particulars	FY 18-19	FY 19-20
EBITDA/Turnover (%)	25%	23%
EBITDA/Net interest ratio	31.64	45.39
Return on equity (%)	17%	15%
Earnings per share (₹)	7.13	6.85
Debtors Turnover (days)	12.58	13.84
Inventory Turnover (days)	6.39	6.89
Interest Coverage Ratio (x)	31.6	45.39
Current Ratio (x)	2.96	3.48
Debt-Equity ratio (x)	0.001	0.0016
Net Profit Margin (%)	16	15

### Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with

statutory and internal auditors to ensure that internal control systems are operating effectively.

### Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural

skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 1,836 as on 31st March, 2020.

### Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.



# Directors' report and management discussion & analysis

*Dear Shareholders*

Your Directors have pleasure in presenting Nineteenth Annual Report of the Company together with the Audited Balance Sheet as at March 31, 2020 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 March 31, 2020 as compared to the previous financial year are as under:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Income	1,87,258.33	1,83,651.63	1,80,133.57	1,73,488.92
Profit before Interest, Depreciation and Tax	42,380.62	45,463.89	31,387.83	34,773.40
Interest & Finance Charges	933.73	1,437.99	1,955.94	2,087.86
Depreciation	9,295.18	10,564.48	4,331.89	4,648.77
Profit/(Loss) before Tax	32,151.71	33,461.42	25,100.00	28,036.77
Provision for taxation:				
- Current Tax	(5,339.75)	(6,825.41)	4,309.68	5,187.75
- Income tax for earlier years	3.25	-	(36.79)	-
- Deferred Tax	1,915.13	3,860.98	(1,043.58)	(2,740.11)
Net Profit after Tax	28,730.34	30,496.99	21,870.69	25,589.14
Other comprehensive income for the year, net of tax	(36.97)	14.36	(21.60)	1.93
Total comprehensive income for the year	28,693.37	30,511.35	21,849.09	25,591.07
Net profit attributable to:				
Owners of the Company	28,554.98	29,877.70	-	-
Non-controlling interest	175.36	619.29	-	-
Total	28,730.34	30,496.99	-	-
Other Comprehensive Income attributable to:				
Owners of the Company	(36.40)	14.65	-	-
Non-controlling interest	(0.57)	(0.29)	-	-
Total	(36.97)	14.36	-	-
Total Comprehensive Income attributable to:				
Owners of the Company	28,518.58	29,892.35	-	-
Non-controlling interest	174.79	619.00	-	-
Total	28,693.37	30,511.35	-	-

## OPERATIONAL REVIEW

During the last month of Financial Year 2020, the COVID-19 pandemic developed rapidly and led to a global crisis. To prevent spread of pandemic the Central Government enforced lockdown of all economic activities and restricted movement across the country. We have immediately shifted our focus to ensuring health, safety, well-being of all employees/ workmen/ stake holders and the Company provided facilities to work from home all over the locations which helped to keep them safe and to ensure uninterrupted operations and keep the business going on despite all odds.

During the year under review, your Company has manufactured 5,72,460 MT of Cement Clinker as against 6,00,025 MT recorded during the FY 2018-19. Company's subsidiary M/s. Star Cement Meghalaya Limited has produced 16,42,975 MT of Clinker as against 14,36,600 MT during the FY 2018-19. On consolidated basis total clinker production during the year was at 22,15,435 MT as against 20,36,625 MT during FY 2018-19.

In terms of capacity utilization, clinkerization unit of your Company was able to utilize 72.28% of its installed capacity as against 75.76% during the FY 2018-19. Similarly, the capacity utilization of clinkerization unit of its subsidiary M/s. Star Cement Meghalaya Limited was at 93.94% during FY 2019-20 as against 82.14% during the FY 2018-19. On consolidated basis, the capacity utilization of clinkerization units was at 87.19% during the FY 2019-20 as against 80.15% during FY 2018-19.

During the Financial year 2019-20, North East Region of the country witnessed heavy rain fall and devastating flood. Last quarter of the year was seriously affected due to unprecedented situation arose for Covid-19 pandemic and lockdown announced across the country which affected production, capacity utilization, realisation and sales volume of your Company and its subsidiaries. Such situation still continuing in 1st quarter of 2020-21.

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 28,93,562 MT (including purchase from hired grinding units) as against 26,98,536 MT during the FY 2018-19.

Similarly, your Company has been able to achieve sales volume of 28,79,782 MT of Cement as against 27,05,841 MT during the previous financial year. There has been improvement in performance of your Company during the financial year 2019-20.

During the year under review the Company has received freight subsidies from the Central Government and the said amount has been utilized towards prepayment of balance debts and the rests were invested in Term Deposits with Bank.

## BUY-BACK OF SHARES

During the year under review your Company has bought back 68,00,000 Equity Shares of ₹1 each from all the existing shareholders/ beneficial owners of the Company as on record date i.e., 5th July, 2019 on a proportionate basis through tender offer route at a price of ₹150/- each for an aggregate amount of ₹102,00,00,000/-. The payments have been made to all the eligible shareholders on 15th November, 2019, subsequently the bought back shares have

been extinguished resulting in reduction of paid up share capital to ₹41,24,28,997 divided into 41,24,28,997 equity shares of ₹1 each.

In accordance with Section 69 of the Companies Act, 2013, during the year ended 31st March, 2020, the Company has created a Capital Redemption Reserve of ₹68,00,000 equal to the nominal value of Shares bought back as an appropriation from General Reserves.

## DIVIDEND

During the year your Board of Directors has declared and paid an Interim Dividend @ 100% i.e., ₹1/- each per Equity Share of Face Value of ₹1/- each (exclusive of applicable Dividend Distribution Tax) to the shareholders. An amount of ₹847.76 Lakhs was paid as Dividend Distribution Tax on the Interim Dividend declared and paid.

The Board of Directors of your company, after considering holistically the relevant circumstances has decided that it would be prudent, not to recommend any Final Dividend for the Financial Year 2019-20 (Previous year NIL).

## INDIAN ECONOMY AND OUTLOOK – AT A GLANCE

Year 2019-20 was not favorable for the Indian economy, lot of disturbances from political, environmental and economical point of views affected the projected growth of the Country's economy. Amidst of disturbances, when the Country was preparing for revival, outbreak of Corona virus further dampen the situation. It shaken the economy of the country as well as that of our Company. Global recession started and its wave also affected India. Actual impact of the pandemic on our economy is yet to be ascertained. As per Reserve Bank of India, for current fiscal GDP growth may remain in negative territory. Moody's predicted that the growth rate of the country in the coming year will be 0%. Global economic slowdown and lockdown announced around all over the world is likely to impact sectors with high dependence on global demand especially that of key impacted markets like Europe, North America and South-East Asia. As a result unemployment will rise, buying power of the consumers will be affected which will hit the industrial development. Trades with other countries have already been seriously affected, civil aviation industries, tourism industries, infrastructure sector, housing and construction sectors, garments & textile industries, jewelry sector, stock market etc., were seriously affected. Outbreak of COVID-19 is expected to have a significant impact on the economy globally including economic slowdown, trade, supply chain disruption etc. To come out from the situation, the Government of India and Reserve Bank of India has already taken certain immediate measures including financial packages and given several relaxations in terms of compliances also. Considering the situations, coming days will be very crucial for the Country as well as for the industries also.

China is the world's largest exporter and second-largest importer. It accounts for 13% of world exports and 11% of world imports. In imports, the dependence of India on China is huge. Of the top 20 products (at the two-digit of HS Code) that India imports from the world, China accounts for a significant share in most of them. Therefore, overall impact of COVID-19 on Indian economy will be huge and long term.

As per data released during April 2020, India's manufacturing and services sectors recorded the sharpest contraction among the world's top 10 economies. As per information released by London-based IHS Markit, the Purchasing Managers' Index (PMI) for service sector stood at 5.4 in April, down from 49.3 in March 2020. The PMI for the manufacturing sector also fell down from 51.8 in March to 27.4 in April, 2020.

However, impact of economic measures taken by the Government to come out from the situation will be seen in period to come.

Government's various initiatives like introduction of various policies like National Mineral Policy, National Policy on Software Products, National Electronics Policy, Agriculture Export Policy etc., will help all round development of the economy. It was expected that the country is likely to be the third largest consumer economy by 2025 due to change in consumer behaviour and expenditure pattern, however, impact of Covid-19 on the country's economy is yet to be ascertained though it is predicted that coming years will be very crucial for the country. As per report submitted by finance ministry constituted task force, creating new and upgrading existing infrastructure project will be key to raising India's competitiveness and making it a 5 trn. economy by 2025. It also emphasised that for success of Make in India projects as manufacturing competitiveness is hinged on infrastructure sector therefore, infrastructure development would boost short term as well as the potential GDP growth.

## CEMENT INDUSTRY OVERVIEW

Since independence cement sector has been playing a pivotal role in development of the Country. Easy availability of raw materials and cheap labour force cost helped the sector to grow. India is occupying second position amongst the cement producer countries in the world and the industry plays a vital role in the development of the country's economy and provides employment to more than a million people directly and indirectly. Post deregulation, the sector has attracted huge investment from within the country and abroad. Real estate and housing sector in India is the biggest demand driver of cement consumption and it covers 65% of total consumption, infrastructure sector consumes 20% and industrial development consumes 15% of total consumption.

Country's cement production capacity stood at 540 MT p.a. and the country is presently producing 337 MT p.a. Cement production capacity had grown steadily in last 15 years at a CAGR of about 9%. GDP growth of the Country historically has had correlation with cement capacity addition. Industry's capacity utilization also improved by 5% compared to previous year. In the F.Y 2020-21, capacity addition of 20 MTPA is expected but it may be postponed due to impact of Covid-19.

Government plans to spend ₹103 Lakhs crores on 6500 projects in the next five years that will give a major boost to the cement industry. NHAI will be able to generate revenue of ₹1 Lakhs crore (US\$ 14.31 billion) from toll and wayside amenities over the next five years. The Government has allocated ₹1.7 Lakhs crore for the transport infrastructure and Ministry of Railways have been allocated ₹72,000 crores. ₹3,899 crore have been allocated to increase capacity

of Green Energy Corridor Project along with wind and solar power projects. Telecom sector also received a boost with ₹8,350 Crores. ₹888 crore allocated for the upgradation of state government medical colleges (PG seats) at the district hospitals and ₹1,361 crore for government medical colleges (UG seats) and government health institutions. India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

There are also plans to set up a governance framework for ports to ensure listing of one major port on the stock exchanges along with plans of building 100 more airports by 2024 to support the UDAAN scheme furthering strengthening the demand for cement.

Government is also heavily investing in the smart city mission with plans for five new smart cities to be developed in collaboration with states via PPP model that would require urban redesigning, building of new infrastructure such as data centers and integrated traffic management systems and this will definitely result in an increased demand for Cement. There was also a surge in allocation of funds by 38.6% to ₹19,500 crore for infrastructural projects to the Pradhan Mantri Gram Sadak Yojana (PMGSY) that will create a major demand for cement.

Various ongoing Government's initiatives like 'Housing for all', 'Make in India' etc., will be playing a vital role for the development of the Sector. Various Government's mission like Atal Mission for Rejuvenation and Urban Transformation and Swachh Bharat Mission are also contributing for development of the Sector.

The aforesaid factors contributed the cement sector to grow at approx. 9% during the year. Implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA) made the sector transparent.

However, country's overall cement demand, which started improving since beginning of 2020, has suddenly come to a standstill from the second half of March'20 due to outbreak of Covid-19 and nationwide lockdown announced. As per Experts, that the forced shutdown has come at the time of peak construction activity and rising demand of cement, which resulted at least 40% (approx.) volume loss in March. But subsequent weak economic growth, cutting of Govt spending in infrastructure sector as well as down in real estate sector may also hit volume growth during current financial year. CRISIL expects cement demand in India to contrast by 10%-15% in current financial year in the base line scenario and in case of extreme scenario damage for the sector be 20%-25%.

For coming period especially on the second half of financial year when peak construction activity is likely to be impacted, focus of the sectors will be on how quickly market recovers from the current distressed situation arose due to Covid-19.

## NORTHEAST SCENARIO – GATEWAY OF OPPORTUNITIES

The North Eastern Region of the Country comprising of eight states are a very rich natural resources. Post-independence era and after partition, the region became land locked and lost its easy access to

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

As a part of the development initiatives in the North Eastern states, the Government has sanctioned ₹1.9 Lakhs crore for road projects spanning over 14,000 km in the North East. A total of 197 road development projects are being implemented under various programmes and schemes of the road transport and highways ministry in the north eastern states. NHIDCL and NHAI has taken initiatives for building roads across the states of North East.

₹5,000 Crores Investment is expected during next 10 years with 5 sanctioned and 8 airports construction in pipeline. Guwahati, Agartala & Manipur airports to be upgraded. Arunachala (Hollong airport) & Mizoram (Lengpui Airport) to be newly constructed.

Indian Railways has several projects in the pipeline worth at least ₹40 thousand crores to connect capital cities of 5 North Eastern states with 20 major railway projects, including 13 new lines, 2 gauge conversions and 5 doublings with a length of nearly 2,624 kilometres. Constructing India's longest double decker rail-cum-road bridge, one of the longest tunnels in the country and the world's tallest pillar-based rail bridge is also in the pipeline. Government has allocated a gross budget of ₹6,549 crores in FY20-21 for North East Frontier Railway which includes ₹2,597 crores for new broad gauge lines.

Largest Hydro power potential in India is in the NER with 98% of it still untouched, 63,000 MW of Hydro Power capacity has been identified. 14,000 MW has been allotted to private companies which is likely to result in ~14 Mn Tons of Cement Demand. NHPC Limited has started its work for establishing 2,500 MW power station in the region.

The Government has identified the huge scope for infrastructure development in the NER and has approved fund worth ₹14,124 crore for 464 projects in 8 Smart Cities.

Japan had joined hands with India in the development of NER and last June it announced a decision to invest about ₹13,000 crore in multiple ongoing along with new projects. Japan's Official Development Assistance (ODA) is actively engaged in 9 projects with 3 new projects in the pipeline. These were spread over Assam, Tripura, Mizoram, Sikkim, Nagaland and Meghalaya. Out of these, road connectivity improvement projects were spread across Assam, Mizoram and Meghalaya.

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

Implementation of aforesaid projects had contributed in all round development in NER which leads to increase in demand of cement.

## NEW PROJECT AT SILIGURI

In order to meet increase demand of cement and to expand business operation in Eastern India, the Company is establishing a new Grinding Unit with 2 million tonne capacity per annum at Siliguri, West Bengal. It was projected that the Siliguri project be functional by Q4, 2019-20, however, sudden outbreak of COVID-19 and complete lockdown announced by the Prime Minister for the entire country for 3 months which leads to shortage of labour cropped up with unprecedented heavy rain, for which the construction works at site were seriously affected which may lead to a delay of 6 months in completion of project, but after resumption of works, we are at the top gear for early completion of the project.

Upon operational, the said project will help the Company to strengthen its market share in Eastern markets.

## Market Development

As a strategy, the North East Market continued to be the focus market for your company. Cement demand was good throughout the year. Demand increased by 6% in NER against an all India average of 9%. The Company recorded growth of about 6% YOY in NER and overall by 6%.

During the year under review your company was able to sell 21,63,682 MT of cement in NER market as against 20,44,484 MT during the FY 2018-19. During the year under review, around 12 % of the total Cement demand in NER was catered to by the industry through imports from other regions including Bangladesh and Bhutan.

Your Company has bagged contract for supply of 1,50,000 MT cement to NHPC Limited. Clinker demand was good in Eastern Nepal and Bhutan. Your company grabbed this opportunity and has achieved export of 57,807 MT Cement Clinker during the entire year under review as against 91,142 MT recorded in previous year. Reduction in volume of export was mainly due to fall in prices in aforesaid locations which was owing to new plants established in Nepal.

As a market leader in NER your company has further consolidated dealers and sub dealer's network. Currently your company is associated with 2,100 dealers and 9,000 sub dealers. The Company has introduced a mobile application for dealers for payments, orders booking, printouts of invoices and ledgers. This initiative is helping dealers in timely submission of GST returns.

During the year your Company has launched Star Anti Rust Cement. It is a special product developed as a result of several years of tireless research of the R&D Unit. Star Antirust cement imparts anti rust and anti-corrosive properties in the reinforcing bars hence increasing the durability and service life of the structure.

During the year under review your Company has undertaken various marketing initiatives in order to make the brand "Star Cement" more visible and attain top of mind recall. A unique Brand Campaign around the Lok Sabha Elections of 2019 was launched. The punchline for the campaign was "Neta Ho Ya Cement, Sahi Chuno Solid Chuno". The campaign was launched across North East,

Bengal & Bihar. Sponsorships were taken on TV News channels on elections to use the opportunity & garner more eyeballs for the TVC & the brand.

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

This year, Star Anti Rust Cement was launched with a 360 degree campaign involving, TV, Print, OOH, Retail visibility & Digital. The punchline "Dhalai Mein Must Star Anti Rust" established the need for using Anti Rust Cement in Dhalai in the consumers' mind. This was launched across the markets of North East, North Bengal & East Bihar.

Other initiatives included retail & mass branding initiatives in the form of retail boards, cuboids, hoarding at shop, TV, Radio, Print & OOH ads. To make the brand more visible in remote areas, a block level branding campaign was undertaken through wall wraps, rural vans & rural theatres alongwith high impact Building Branding in select locations.

## PRODUCTION AND COST DEVELOPMENTS

### Fly Ash

Your company's commitment towards making more eco-friendly Portland Pozzolana Cement (PPC) continued to gain. Company produced 24,73,181 MT PPC in comparison to 21,46,900 MT produced during previous year. Fly ash which is otherwise a hazard to be disposed is being used in cement manufacturing has multiple benefits. Besides the environmental benefits, major cost benefits and capacity enhancement is possible through better use of fly ash.

### Logistics & Freight

Your company has taken up major steps of re-aligning Supply Chain & Distribution network. This has resulted in reduction of wtd. avg freight cost to ₹1111/- as against ₹1168/- during previous year. Wtd Avg lead distance also decreased to 271 KM in comparison to 275 KM during previous year.

Major thrust was given on Service Level Improvements and reduction in delivery lead time. Even during trouble time of Assam agitation against CAB and Covid -19 lockdown, your company's supply chain ensured safe and uninterrupted working.

Innovative and Futuristic steps were taken by movement of Imported Coal from Haldia port to Guwahati, Assam by River Barges. Private Railway Siding at Guwahati served very efficiently and effectively by way of more handling of rakes at a time, proper handling of loss control and thereby savings in costs. Private Railway Siding was commissioned at Guwahati Works bringing in operational efficiencies and cost savings. Total 313 Rakes were handled with very high level of efficiency.

Your company received Prestigious "CII SCALE Award" for Excellence in Supply Chain Management.

### Power cost

During the year under review too, your Company continued to source its power requirement for its Lumshnong unit from its subsidiary

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

Coal availability from local sources remained constrained. Sourcing of Coal was done majorly from Coal India Limited and Imported Coal from South Africa, Australia, USA and Russia. During Q3 reduction on coal prices was observed mainly from Imported coal segment.

## KEY PERFORMANCE HIGHLIGHTS

- Consolidated cement production (including purchase from hired grinding units) was at 28.93 Lakhs MT during the year as against 26.98 Lakhs MT during the previous financial year.
- Consolidated net sales at ₹1,872.58 Crores during the year under review as compared to ₹1,836.52 Crores during the financial year 2018-19.
- Consolidated EBIDTA was at ₹423.81 Crores during the year under review as compared to ₹454.63 Crores during the immediate previous financial year.
- Consolidated profit before tax during the year 2019-20 was at ₹321.52 Crores as against a profit of ₹334.61 Crores in the year 2018-19.

## OPPORTUNITIES & THREATS, RISKS AND CONCERNS

Your Company has been maintaining a very strong dealer network, which has helped the Company withstand intense market competition. Company's strong presence in North Eastern Region supported market position. Locational advantages helped to procure raw materials at affordable prices. Company's aggressive marketing strategies and strong branding network also contributed to establish its position as the market leader in the region. Company's new Siliguri plant upon functional will also help to grab the market in eastern zone of the county

However, dependent on domestic market and concentration on regional market for a longer period of time may adversely affect the long time productivity of the Company. This year due to devastating floods in Assam and other North Eastern States affected the business operations in the region and thereafter nationwide lockdown announced to prevent spread of Covid-19 pandemic also had a serious impact on production and business of the Company. Therefore, environmental and impact of other force majeure events may seriously affect the operations of the Company.

A midst of the situation, respite for the cement manufacturers is the logistic costs as transporters likely to offer more concessions, soft crude oil prices and lower pet coke price will also help the cost curve.

Government's various initiatives like Make in India, Housing for all, development of Ports, Roads and Highways, 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. Various positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising the tax structure, administration, and opening up more areas for foreign investment through the automatic route will also increase the demand of cement and power.

Competition in the cement industry is very high apart from the large players there are also small players in the market. Competition from the foreign players may lead to tougher competition to the domestic players. This allows limited market share in the industry. Since the Covid-19 has seriously impacted country's economic situation, therefore, there may be slow in demand, reduction in spending of people, unemployment etc. However, situation may be off setted as many companies in China started looking for new hub for their business in which India may be one of their choice. With the development in infrastructure sector, cement demand may grow.

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

raw materials availability risks is mitigated. Company's vast dealer's network across the States also help to mitigate the risk.

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

## SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2020 was ₹41,24,28,997 divided into 41,24,28,997 equity shares of ₹1 each. (P.Y. ₹41,92,28,997 divided into 41,92,28,997 Equity Shares of ₹1 each). Consequent upon bought back of 68,00,000 Equity Shares of ₹1 each the paid up Equity Share Capital of the Company has been reduced during the Financial year ended 31st March, 2020 to that extent. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

In accordance with Section 69 of the Companies Act, 2013, during the year ended 31st March, 2020, the Company has created a Capital Redemption Reserve of ₹68,00,000 equal to the nominal value of Shares bought back as an appropriation from General Reserves.

## 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 for the financial year 2013-14 and thereafter is as under:

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
2013-14 (Interim)	11.03.2014	20.04.2021
2015-16 (Interim)	09.06.2015	18.07.2022
2017-18 (Final)	31.07.2018	06.09.2025
2019-20 (Interim)	06.02.2020	14.03.2027

Members who have not encashed their dividend so far in respect of the aforesaid periods are requested to make their claims to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agent of the Company ('RTA') or to the Company Secretary of the Company, at the Company's Registered Office/ Corporate Office, well in advance of the above due dates. Pursuant to the provisions of IEPF Authority (IEPF) (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2019 (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.

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

## EXTRACT OF ANNUAL RETURN

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked Annexure-1.

Further, in terms of section 134(3)(a) 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: <http://starcement.co.in/wp-content/uploads/Annual-Return-2018-19.pdf>

## MEETINGS OF THE BOARD

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

## MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 20th March, 2020 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also inter alia assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## COMMITTEES OF THE BOARD

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

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and as per Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI). The Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to at the Company's website at the web link: <https://starcement.co.in/wp-content/uploads/Whistle-Blower-Policy-4.pdf>

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

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The remuneration

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

## DIVIDEND DISTRIBUTION POLICY

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

## CODE OF CONDUCT

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

## COMPLIANCE WITH THE SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year under review;

- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

### AUDITORS & AUDITORS' REPORT

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration no. 304138E) Statutory Auditors of the Company, have been appointed by the members at the Sixteenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 11th September, 2017.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

### COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) as Cost Auditors of the Company for the financial year ended 31st March, 2020 in the Board Meeting held on 07th May, 2019. The remuneration proposed to be paid to them for the Financial year 2019-20, as recommended by audit committee, was ratified in the meeting of shareholders held on 27th September, 2019.

Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) 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 Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) as Cost Auditors of the Company for the Financial year 2020-21 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

The cost audit report for the Financial Year 2018-19 was filed with the Ministry of Corporate Affairs on 18th December, 2019.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice,

to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith and marked Annexure-2. 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 – 2A. The report is self-explanatory and do not call for any further comments.

### BUSINESS RESPONSIBILITY REPORT

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility Report of the Company for the financial year ended March 31, 2020 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 – 3 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 web link <http://starcement.co.in/wp-content/uploads/Related-Party-policy.pdf>.

### RESERVES

During the year under review no amount was transferred to reserves. However, in accordance with Section 69 of the Companies Act, 2013, the Company has created a Capital Redemption Reserve



of ₹68,00,000 equal to the nominal value of Shares bought back as an appropriation from General 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:

- Heat resistant paint used in Kiln Hood and TAD to save radiation loss, so that saving of 2 to 2.5 Kcal/Kg clinker energy.
- Consumption percent of Fly Ash in PPC Cement increased from 25.2 to 29.1 %.
- 65 Nos. of 400W HPSV Flood Light fitting replaced with 200W LED light fittings resultant saving of 0.56 Lakhs Kwh Per year.
- 50 Nos. of 250W HPSV street Light fitting replaced with 90W LED light fittings resultant saving of 0.35 Lakhs Kwh Per year.
- 100 Nos. of 400 W HPSV flood Light fitting replaced with 100 W LED street light fittings resultant saving of 1.3 Lakhs Kwh Per year.
- Reduction in Plant Electricity Bill By providing tripping interlock for capacitor Bank in case of plant stoppage resulting into reduction in under drawl from 6000 units per month to Zero.
- Reduction in plant lighting load by replacing conventional HPSV lamps with 30Watt LED Lights resulting into reduction in consumption by 35% and saving of approximately ₹1.80 Lakhs per month.

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

#### a. Steps taken towards Technical Innovation:

- a) For office lighting, Replacement of conventional obsolete CFL Bulbs with LED bulbs after modification of sockets. The replacement gave two benefit, first- since old CFL has become obsolete so we got an alternate, secondly- energy saving.
- b) In newly constructed railway siding illumination of large area was done using multiple light sources. We used tower lights which resulted in ease of maintenance and better illumination.

#### b. Steps taken towards technical absorption:

- a) For smooth operation of cement silo extraction sequential operation has been implemented and group out operation has been disabled to avoid overflow of silo bin. Also, only one blower is allowed to run each silo.

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

- a) Control on dust emission by operating dampers of bag filter fan for bag filter in PID loop with differential pressure which resulted in optimization of bag filter operation.
- b) Installation of protection guards for spout controller touch screen during cleaning of packer by compressed air.

- 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 ₹18.71 Lakhs (P.Y. ₹12.49 Lakhs) and Revenue Expenditure of ₹36.96 Lakhs (P.Y. ₹26.54 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 ₹35.55 Lakhs (Previous Year ₹476.85 Lakhs).

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

The Company has always been at the forefront of voluntary CSR. The Company's CSR policy made it imperative to institutionalize the CSR activities. Your Company's social responsibility policy focuses on using the capabilities of neighbouring communities by improving quality and standard of lives and sustainable living, through contributions to local communities and society at large. With focus on creating thriving conditions for the marginalised and underprivileged sections, the Company's CSR activities have transformed the standard of living, quality of life of the communities residing in the plant's functional and nearby areas. These goals have become achievable under the aegis of your Company and its affiliates. Your Company undertook various activities during the year 2019-20 under review in line with its CSR Policy.

## SUSTAINABLE LIVELIHOOD AND SKILL BUILDING

- Two Star Usha Tailoring Schools set up in Assam and Meghalaya have been offering training on Tailoring & Embroidery and advanced courses to enhance skill set of around 724 rural unemployed youths, especially women. Total 164 outgoing trainees have been supported with sewing machines with an objective to make trained women economically self-reliant. Outgoing trainees are able to earn income through cutting, knitting and tailoring. M/s Usha International Ltd. is extending technical support in this project.
- Ongoing Dairy project named as SURABHI has been escalated through expansion and inclusion of new farmers of Sonapur area. Your company is pleased to inform you that till this year, 35 farmers of Sonapur areas of Assam were supported with necessary training at the doorstep and as a post training support, farmers were supported with one milking cow per farmer. It is observed that 50% of the total cattle population had been increased through artificial insemination process resulting in increased milk production. The project is being implemented through shared value mode where initially your company has given one cow to each farmers and other costs like cattle shed, insurance of livestock, health care of cattle population, cattle feed etc. were borne by dairy farmers.
- Skill training on beautician courses, a tripartite effort in collaboration with Indian Institute of Entrepreneurship (IIE, Guwahati) and District Administration of Meghalaya Government, started in Lumsnong area with a view to train

30 interested women and girl from East Jaintia Hills District is giving due result where all expenses were shared by your company and IIE jointly.

- As a continuation of the previous project, 150 duck farmers under Hangsha Gram project are able to earn income through egg production and around 270 fishery farmers were supported with fish seed and fish feed. Till this year, more than 300 piggery farmers were supported with residential training, 3 piglets and expenditures of pigsty. Around 50% of the total piggery farmers etc. are able to earn income through increased cattle population and sale proceed thereof.
- A spice project had been initiated in Jalpaiguri location to support 62 farmers in turmeric and ginger production. Farmers were trained in scientific cultivation of turmeric and ginger production in their cultivable land by enhancing their own experience traditional method of spice production.
- Your company has supported to train 100 masons of North Bengal for reskilling of their skillsets in collaboration with CII.
- A group of 10 farmers of Lumshnong village were supported for poultry rearing
- The Broom project and Areca nut project had been initiated for preparation of broom and production of disposable plates from areca nut leaf covering 250 farmers in two neighboring villages of Lumshnong plant.

## HEALTH & SANITATION

- As a special project, your company has made an effort to de-addict 24 youths of Lumshnong village by arranging 3 months of proper rehabilitation process. We are pleased to inform you that these youths are now leaving a normal life with mainstream lifestyle.
- Your company had taken up a new initiative to ensure drinking water facilities in most of the neighboring schools and areas. Under this initiative the water chain was established from sourcing of water to pipe network, filtration and distribution of water in schools for ensuring good health of students, teachers and general public.
- Your company had constructed around 589 individual household toilets till this year in neighboring areas under Swachh Bharat Mission which enabled these areas towards Open Defecation Free.
- Construction of Public and Institutional toilets at Sonapur, Lumshnong and Mohit Nagar area had also contributed towards changing the behavioral pattern of community as well as to make the concern area open defecation free.
- Your company made effort to provide toilets at different LP schools of Mohit Nagar area along with water supply facilities to ensure proper hygiene sense amongst children and common mass and distributed sanitary napkins.
- Series of general health checkup camps, periodic health camps immediately after flood disasters, specialized camps in

Assam, Meghalaya and West Bengal were organized. Complete eye care programs i.e., from screening to surgeries etc. were undertaken in Assam, Meghalaya and West Bengal to ensure access of rural population to health care which benefitted people to diagnose health problems, availability of basic medicines at their doorstep. Financial assistance was provided to Eye Savers Trust.

- The Company had also made drinking water supply system to the households of Chamata Pathar village and Mohit Nagar.
- The Company had contributed towards development of maternity hospital for well-being of local people.
- Initiatives were taken for free distribution of hand sanitizer and masks to around 50,000 people to prevent Covid-19.

## EDUCATION

Your company made immense contributions in bringing changes in education in the rural areas.

- A Digital Literacy program is operational for the students of LP schools and middle schools under your company's flagship project, "Computer on Wheels", where new course curriculum has been prepared by a team of professors of IIT Guwahati. Students have been given opportunities to learn computers through joyful learning inside a bus loaded with computers.
- Your company had developed school infrastructures in 9 schools in this year
- Your company had supported around 50 neighbouring schools around plant operational areas by providing learning kits and class room items like text book, dictionary, encyclopedia, school bag, play kit etc.
- Your company has provided continuous support to promote One Teacher School (OTS) also known as the Ekal Vidyalaya project run by the Friends of Tribal Society (FTS) has been successfully educating the rural and tribal people of remote areas and made contributions to 'Kalyan Bharati Trust' for promoting education.

## RURAL DEVELOPMENT

- In the year 2019-20, your company had rendered continuous support for repairing and construction of new roads, drains, playgrounds in the neighbouring plant areas.
- Your company had installed around 152 solar street lights in neighbouring areas of Assam, Meghalaya and West Bengal.

## EMERGENCY RELIEF

Your Company has supported around 76,000 flood affected people by providing foods, drinking water, medicines, blanket etc., in Assam and West Bengal as a part of flood relief programme.

## SPORTS UPLIFTMENT

During the year, as a part of CSR projects, your company made contributions for development of rural sports amongst the youths in the rural adjoining areas.

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- 4.

## EVALUATION OF THE BOARD'S PERFORMANCE

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

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

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

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

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Mangilal Jain, Independent Director retired from the Board with effect from close of the business hours of 31st March, 2020 due to completion of his second and final terms of appointment as Independent Director. Your Board of Directors record their appreciation for the valuable services and guidances rendered/given by Mr. Mangilal Jain 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 appointed Mr. Amit Kiran Deb as an additional director in Independent category for a period of 5 (five) years effective from 1st April, 2020 upto 31st March, 2025 subject to approval of the shareholders of the Company by way Special Resolution at the ensuing Annual General Meeting.

Mr. Amit Kiran Deb is a Master Degree holder in Political Science and IAS (Retired) of West Bengal cadre. During his long career in administration he held the position of District Magistrate, Joint Secretary, Cabinet Secretary, Municipal Commissioner, Home Secretary and Chief Secretary of Government. He is also in the Board of various Companies. Your Board of Directors feels that appointment of Mr. Amit Kiran Deb as Independent Director will be beneficial for the Company.

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

## DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Listing Regulations. Mr. Mangilal Jain (till 31st March, 2020), Mr. Pramod Kumar Shah, Mr. Santanu Ray, Mrs. Ibaridor Katherine War, Mrs. Plistina Dkhar and Mr. Amit Kiran Deb (w.e.f. 1st April, 2020) 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 Directors of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General management, Accounts & Finance, Audit, Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company. Regarding proficiency, all Independent Directors have registered themselves in the Data Bank maintained with the Indian Institute of Corporate Affairs (IICA), Manesar. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self- assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. Mr. Mangilal Jain (till 31st March, 2020), Mr. Santanu Ray, Mr. Amit Kiran Deb, Mrs. Ibaridor Katherine War, Mrs. Plistina Dkhar, Independent Directors are exempted from qualifying 'online proficiency test' due to their relevant experience in listed companies and the Companies with Paid up equity Capital is ₹10 crores and more. However, Mr. Pramod Kumar Shah will appear in 'online proficiency test' within the period of 1 (one) year from the date of inclusion of his name in the data bank.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarization programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarization program

is available on the Company's website under the web link: <http://starcement.co.in/wp-content/uploads/Familiarization-Programme.pdf>

## SUBSIDIARIES AND ASSOCIATE COMPANY

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

Star Cement Meghalaya Limited is engaged in manufacturing of Cement Clinker and has a Clinkerization plant with an installed capacity of 1.75 MTPA. During the year under review, the Company manufactured 16,42,975 MT of clinker as against 14,36,600 MT in FY 2018-19.

Megha Technical & Engineers Private Limited is engaged in the manufacture of cement. During the year under review, the Company produced 4,840 MT of Cement.

Meghalaya Power Limited is engaged in generation of Power. During the year under review the Company generated 161 Lakhs Kwh units of power.

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

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

## CHANGES IN NATURE OF BUSINESS, IF ANY

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

## AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement for the year ended March 31, 2020 for each of the Company's subsidiaries viz. Star Cement Meghalaya Limited (SCML), Megha Technical & Engineers Private Limited (MTEPL), Meghalaya Power Limited (MPL), NE Hills Hydro Limited (NHHL) and Star Century Global Cement Private Limited (SCGCPL) are annexed in the Form AOC – 1 and marked as Annexure-5.

## CONSOLIDATED FINANCIAL STATEMENTS

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

The detailed financial statements and audit reports of each of the subsidiaries of the Company are available for inspection at the Registered Office of the Company during office hours between 11 A.M. and 1 P.M. The Company will arrange to send the soft copy of the financial statements of the subsidiaries upon written request from the shareholders from their registered email ID.

## 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 ₹41.84 crores in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110(TCH)/2012 against the Company and other Cement and Power Companies in Meghalaya. By the said order NGT has accepted the recommendations of the 5th Interim Report of the Independent Committee set up by NGT for restoration of Environment and rehabilitation of victims, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya for alleged illegal coal procurement.

The NGT Committee had made recommendation of imposing penalty on the assumption that locally available alternate fuel cannot be used by the Cement Companies and thermal Power Plants hence plants have used illegally sourced coal. The Company have 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. The views of Independent Committee cannot be a substitute of hard facts or evidences necessary to form a decision culminating in recommendations. Further to note that neither show-cause was issued nor opportunity of hearing was given to the Company before submitting the Interim reports by the Independent Committee to NGT. NGT has also not served any notice on the Company before passing the impugned order dated 17.01.2020 in 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 on the basis of certain hypothetical assumptions and without giving any opportunity of being heard to the Company. Therefore, against the said Demand Notice the Company is preferring an appeal before the appropriate forum, and based on the legal opinions obtained by the Company there is every likelihood that the Demand Notice dated 19.02.2020 will be set aside and accordingly, no provisions has been made in the accounts and the same has been shown under contingent liability. (Refer Note no. 43a of Notes to Accounts).

(ii) Company has received differential excise duty amounting to ₹14.64 crores in previous years on the basis of Order passed by the Shillong Bench and Guwahati Bench of Hon'ble High Court of Guwahati and the said order was on the basis of judgement of Hon'ble Supreme Court in the matter of M/s V.V.F Limited & others etc. Versus the Union of India allowing refund of 50% of differential excise duty as immediate relief. However on 22.04.2020, The Hon'ble Supreme court has reversed the judgement and allowed the subsequent and amended notifications issued by revenue authority which replaced the 100% excise benefit as envisaged in original notification no. 20/2007, with refund equivalent to specified percentage of Excise Duty Payable based on value addition and held that the amended notifications was clarificatory in nature and is not hit by doctrine

of promissory estoppel. The objective of the amended notifications was to prevent tax evasion by some of the unscrupulous assesses by misusing the benefit granted vide the original notification and therefore doctrine of promissory estoppel cannot be invoked when the public interest warrants. The Company is preferring to Appeal before the appropriate Forum against the above judgement as the act of some unscrupulous assesse cannot be considered as basis to implement a judgement that has an adverse impact on the genuine Manufacturers and the said act of the revenue authority cannot be said to be in public interest. Based on the Company's assessment on the outcome of the Appeal, supported by the advice of external legal counsel, the Company is of the view that reversal of income previously booked in the accounts amounting to ₹29.30 crores not warranted. (Refer Note no. 43b of Notes to Accounts).

(iii) Company has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹5.66 crores in previous years on the basis of the direction of the High Court of Meghalaya dated 30.08.2018 following the decision of the Supreme Court dated 10.11.2017 passed in SRD Nutrients Pvt. Ltd. Vs. Commissioner of Central Excise, Guwahati, However the Apex court in the matter of M/S Unicorn Industries Vs Union of India and Others have taken a contrary view and passed an order on 06.12.2019. Based on the later judgement a demand letter was raised by the department to refund back the amount granted. The Company has preferred an appeal before the appropriate Forum against the above demand letter, as the order dated 30.08.2018 has attained its finality and the refund was granted accordingly. Meghalaya High Court has stayed the said demand vide its order dated 16.06.2020. Based on legal opinions obtained by the Company there is every likelihood that the said demand will be quashed and therefore no provision have been taken in the books of account. (Refer Note no. 43c 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 'Stable'.

## ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

The Internal Audit Department 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	F. Y. 2019-20	F.Y. 2018-19	% change	Explanation for Significant Changes
Debtors Turnover ratio	15.10	13.29	13.58	NA
Inventory Turnover ratio	14.12	10.69	32.07	Due to the decrease in fuel stock as compared to the last year
Interest Coverage ratio	13.83	14.43	(4.14)	NA
Current ratio	2.69	3.16	(15.00)	NA
Debt Equity ratio	0.13	0.14	(11.29)	NA
Operating Profit Margin (%)	13.67	15.44	(11.43)	NA
Net Profit Margin (%)	12.33	15.09	(18.29)	NA
Return on Net Worth	0.20	0.24	(19.64)	Due to increase in power & fuel cost as compared to the last year.

## 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-6 and forms part of this report.

## POLICY ON PREVENTION OF SEXUAL HARASSMENT

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

## CORPORATE GOVERNANCE

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

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

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

## RISK MANAGEMENT

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

## HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

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

Alongwith the changing needs of our diverse community our dedicated Human Capital, have transformed its practices from transactional to strategic, from administration to business partnering, from Hiring to Developing & Retaining thus contributed in the making of Star Cement as one of the most sought after places to work in the cement sector in Eastern India.

Campus activities & recruitment from some of the Best B Schools of Eastern India plays an integral role to help in differentiating the employer brand.

HR team at Star believes in nurturing of talents across the Company and hence various leadership programs across the locations have been organised as a part of talent management and development initiatives.

Our focuses have been and will always be on building robust and transparent performance management culture. Standardisation of PMS process, Performance linked incentive to encourage pay for performances have always been our focus.

Automation of HR processes and its optimum utilisation, organisation capability building through various innovative HR interventions, product, technical and soft skills training, boosting leadership and managerial excellence, upskilling our employees and maintaining favourable industrial relations with all stakeholders and ensuring their overall satisfaction.

Recognition also plays an important role when it comes to valuing employees and their contributions. Rewards in various forms have been rolled out across locations and one of such is long term service awards where the dedication and hard work of our trusted employees are recognised in a wonderful engaging platform.

Employee wellbeing is of one of our prime focus and apart from our focus on ergonomics and employee engagements, health check-up campus were organised for ensuring physical fitness and mental agility of our employees who are our most important contributor and resource.

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

Overall, throughout the year, the HR function stayed focused & aligned its services and capabilities with the organisation's business strategy and always remained as a strategic partner in business.

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

## AWARDS AND ACCOLADES

During the year under review, your Company has won the coveted 'Supply Chain & Logistics Excellence (SCALE) Award 2019'- under Cement Industry Category organised by the prestigious Confederation of Indian Industry (CII) Institute of Logistics. It is the first ever award series by an industry apex body to recognize Supply Chain excellence by benchmarking and comparing with the best in class industry practices related to logistics and supply chain management.

Your Company has received a Certificate of Appreciation from Deputy Commissioner, Kamrup Metropolitan District for

maintaining high standard of Workmanship, Hygiene, Maintenance of Cleanliness, Discipline, Sanitation and in serving drinking water to devotees in Ma Kamakhya Temple during Ambubachi, 2019 which was carried out for a period of one week in the month of June, 2019. This activity has been undertaken by the Company for last couple of years to serve community and to maintain hygiene and cleanliness in Nilachal mountain in Guwahati, Assam. The Telegraph School Awards for Excellence' under the category of School that care was received for effective functioning of Shyam Sishu Mandir – a school for migrant workers at Lumshnong.

### 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. To support the 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ Depositories for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically.

Pursuant to the MCA and SEBI circulars, in view of the prevailing situation of the Pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the 19th AGM and the Annual Report of the Company for the financial year ended 31st March, 2020 are being sent only by email to the Members. A newspaper advertisement in this regard has also been published.

### CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

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

### ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 25th June, 2020

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

Annexure - 1  
**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**

**AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Companies (Management & Administration) Rules, 2014]

### I. REGISTRATION & OTHER DETAILS:

1	CIN	L26942ML2001PLC006663
2	Registration Date	2nd November, 2001
3	Name of the Company	Star Cement Limited (Formerly Cement Manufacturing Company Limited)
4	Category/Sub-category of the Company	Company limited by Shares/ Non - Govt. Company
5	Address of the Registered office & contact details	Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No.: 03655 - 278215 Email: investors@starcement.co.in Website: www.starcement.co.in
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th floor, Kolkata, West Bengal - 700001 Phone: 033-2248 2248; 033-22435029 Email: mdpldc@yahoo.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company are stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Cement	23941	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Megha Technical & Engineers Private Limited Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	U27107ML2002PTC006976	Subsidiary	100.00	2(87)
2	Star Cement Meghalaya Limited Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	U63090ML2005PLC008011	Subsidiary	87.49	2(87)
3	Meghalaya Power Limited Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	U40108ML2002PLC006921	Subsidiary	51.00	2(87)
4	NE Hills Hydro Limited Satyam Towers, 3 Alipore Road, Unit No. 9B, Kolkata - 700027	U40104WB2007PLC116195	Subsidiary	100.00	2(87)
5	Star Century Global Cement Pvt. Ltd. No. 24-27 Min Theidki Kyaw Swar Road, East Dagon Industrial Zone, Yangon, Myanmar	Foreign Company	Subsidiary	100.00	2(87)



## IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020] *				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	23,27,15,310	-	23,27,15,310	55.51	22,79,44,480	-	22,79,44,480	55.27	(0.24)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5,23,07,675	-	5,23,07,675	12.48	4,74,52,651	-	4,74,52,651	11.51	(0.97)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub -total (A) (1)</b>	<b>28,50,22,985</b>	<b>-</b>	<b>28,50,22,985</b>	<b>67.99</b>	<b>27,53,97,131</b>	<b>-</b>	<b>27,53,97,131</b>	<b>66.77</b>	<b>(1.21)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A) = (A) (1) + (A) (2)</b>	<b>28,50,22,985</b>	<b>-</b>	<b>28,50,22,985</b>	<b>67.99</b>	<b>27,53,97,131</b>	<b>-</b>	<b>27,53,97,131</b>	<b>66.77</b>	<b>(1.21)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3,64,80,223	-	3,64,80,223	8.70	3,05,22,313	-	3,05,22,313	7.40	(1.30)
b) Banks / FI	27,486	-	27,486	0.01	1,15,559	-	1,15,559	0.03	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternate Investment Funds	-	-	-	-	35,30,202	-	35,30,202	0.86	0.86
Foreign Portfolio Investors	51,45,879	-	51,45,879	1.23	9,80,864	-	9,80,864	0.24	(0.99)
<b>Sub-total (B)(1)</b>	<b>4,16,53,588</b>	<b>-</b>	<b>4,16,53,588</b>	<b>9.94</b>	<b>3,51,48,938</b>	<b>-</b>	<b>3,51,48,938</b>	<b>8.52</b>	<b>(1.41)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	1,49,87,977	19,950	1,50,07,927	3.58	2,28,46,255	9,975	2,28,56,230	5.54	1.96
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lakhs	1,14,90,450	731,848	1,22,22,298	2.92	1,05,27,704	7,11,898	1,12,39,602	2.73	(0.19)
ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakhs	6,00,38,534	-	6,00,38,534	14.32	6,55,64,095	-	6,55,64,095	15.90	1.58
c) Others (specify)									
Non Resident Indians	5,80,661	-	5,80,661	0.14	8,46,581	-	8,46,581	0.21	0.07
Foreign Nationals	400	-	400	0.00	400	-	400	0.00	0.00
Clearing Members	33,25,515	-	33,25,515	0.79	28,701	-	28,701	0.01	(0.79)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020] *				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	12,37,162	-	12,37,162	0.30	12,07,532	-	12,07,532	0.29	(0.00)
NBFCs registered with RBI	7,500	-	7,500	0.00	7,360	-	7,360	0.00	(0.00)
Domestic Corporate Unclaimed Account	-	1,32,427	1,32,427	0.03	-	1,32,427	1,32,427	0.03	0.00
<b>Sub-total (B)(2)</b>	<b>9,16,68,199</b>	<b>8,84,225</b>	<b>9,25,52,424</b>	<b>22.08</b>	<b>10,10,28,628</b>	<b>8,54,300</b>	<b>10,18,82,928</b>	<b>24.70</b>	<b>2.63</b>
<b>Total Public shareholding (B) =(B) (1) + (B) (2)</b>	<b>13,33,21,787</b>	<b>8,84,225</b>	<b>13,42,06,012</b>	<b>32.01</b>	<b>13,61,77,566</b>	<b>8,54,300</b>	<b>13,70,31,866</b>	<b>33.23</b>	<b>1.21</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>41,83,44,772</b>	<b>8,84,225</b>	<b>41,92,28,997</b>	<b>100.00</b>	<b>41,15,74,697</b>	<b>8,54,300</b>	<b>41,24,28,997</b>	<b>100.00</b>	<b>0.00</b>

Note: \* The Company has bought back 68,00,000 shares during the year.

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding during the year *
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sajjan Bhajanka	4,73,16,047	11.29	-	4,67,21,636	11.33	-	0.04
2	Mr. Prem Kumar Bhajanka	3,82,22,553	9.12	-	3,77,18,954	9.15	-	0.03
3	Mr. Rajendra Chamaria	2,02,52,555	4.83	-	1,98,91,358	4.82	-	(0.01)
4	Ms. Divya Agarwal	1,92,70,037	4.60	-	1,90,01,456	4.61	-	0.01
5	Ms. Santosh Bhajanka	1,83,69,835	4.38	-	1,81,13,801	4.39	-	0.01
6	Mr. Sanjay Agarwal	1,72,87,635	4.12	-	1,70,45,480	4.13	-	0.01
7	Brijdham Merchants Pvt. Ltd.	1,02,99,506	2.46	-	1,01,55,742	2.46	-	0.01
8	Sriram Vanijya Pvt. Ltd.	1,13,07,899	2.70	-	1,01,29,397	2.46	-	(0.24)
9	Mr. Sachin Chamaria	1,00,50,000	2.40	-	99,09,926	2.40	-	0.01
10	Sumangal International Pvt. Ltd.	1,01,96,844	2.43	-	89,90,723	2.18	-	(0.25)
11	Sumangal Business Pvt. Ltd.	90,85,549	2.17	-	79,60,051	1.93	-	(0.24)
12	Sriram Merchants Pvt. Ltd.	89,64,027	2.14	-	77,97,089	1.89	-	(0.25)
13	Mr. Rahul Chamaria	69,25,000	1.65	-	68,28,482	1.66	-	0.00
14	Ms. Yash Bhajanka	44,48,561	1.06	-	43,86,558	1.06	-	0.00
15	Ms. Laxmi Chamaria	42,50,691	1.01	-	41,96,446	1.02	-	0.00
16	Mr. Prahlad Rai Chamaria (Karta of Prahlad Rai Vinay Kumar HUF)	42,50,000	1.01	-	41,90,765	1.02	-	0.00
17	Ms. Renu Chamaria	38,14,894	0.91	-	37,61,724	0.91	-	0.00
18	Ms. Kamakhya Chamaria	53,29,750	1.27	-	37,55,465	0.91	-	(0.36)
19	Ms. Kamakhya Chamaria (Karta of Hardeo Das Kamakhya Prasad HUF)	33,00,000	0.79	-	32,54,006	0.79	-	0.00
20	Mr. Rajendra Chamaria (Karta of Rajendra Udyog HUF)	32,00,000	0.76	-	32,32,559	0.78	-	0.02
21	Mr. Hari Prasad Agarwal	32,39,560	0.77	-	31,94,221	0.77	-	0.00
22	Mr. Amritansh Chamaria	32,00,000	0.76	0.10	31,55,399	0.77	-	0.00
23	Mr. Kailash Prasad Chamaria	30,72,250	0.73	-	30,29,430	0.73	-	0.00
24	Mr. Kailash Prasad Chamaria (Karta of Gouri Shankar Kailash Prasad HUF)	29,00,000	0.69	-	28,59,581	0.69	-	0.00
25	Ms. Gayatri Chamaria	25,70,000	0.61	-	25,58,344	0.62	-	0.01
26	Auroville Investments Pvt. Ltd.	24,53,850	0.59	-	24,19,649	0.59	-	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding during the year *
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
27	Ms. Bhawna Agarwal	23,56,347	0.56	-	23,23,505	0.56	-	0.00
28	Hari Prasad Agarwala and Ors (HUF)	17,36,216	0.41	-	17,12,017	0.42	-	0.00
29	Ms. Sonu Kajaria	13,69,913	0.33	-	13,50,820	0.33	-	0.00
30	Ms. Sumitra Devi Agarwal	13,42,412	0.32	-	13,23,702	0.32	-	0.00
31	Ms. Payal Agrawal	13,30,000	0.32	-	13,11,462	0.32	-	0.00
32	Ms. Shraddha Agarwal	10,79,720	0.26	-	10,77,671	0.26	-	0.00
33	Mr. Prahlad Rai Chamaria (Karta of G.S.Chamaria and Sons HUF)	4,00,000	0.10	-	4,00,000	0.10	-	0.00
34	Mr. Rajesh Kumar Agarwal	3,91,149	0.09	-	3,85,698	0.09	-	0.00
35	Mr. Prahlad Rai Chamaria	3,17,485	0.08	-	3,13,060	0.08	-	0.00
36	Mr. Vinay Chamaria (Karta of Vinay and Company)	3,24,604	0.08	-	3,01,904	0.07	-	(0.01)
37	Ms. Ratna Chamaira	2,39,606	0.06	-	2,36,267	0.06	-	0.00
38	Ms. Nancy Choudhary	1,70,000	0.04	-	1,67,631	0.04	-	0.00
39	Mr. Keshav Bhajanka	1,63,490	0.04	-	1,61,212	0.04	-	0.00
40	Ms. Saroj Kejriwal	-	0.00	-	73,940	0.02	-	0.02
41	Mr. Amit Agarwal	-	0.00	-	-	0.00	-	-
42	Mr. Rishi Raj Shah	-	0.00	-	-	0.00	-	-
43	Mr. Jagdish Prasad Shah	2,25,000	0.05	-	-	0.00	-	(0.05)
44	Ms. Pushpa Agarwala	-	0.00	-	-	0.00	-	-
	<b>Total</b>	<b>28,50,22,985</b>	<b>67.99</b>	<b>0.10</b>	<b>27,53,97,131</b>	<b>66.77</b>	<b>-</b>	<b>(1.21)</b>

Note: \* Percentage changes in shareholding of promoters at the end of the year is due to reduction of paid-up share capital of the Company consequent upon buyback of 68,00,000 shares.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Sajjan Bhajanka</b>						
	At the beginning of the year	01.04.2019		4,73,16,047	11.29		
	Changes during the year	15.11.2019	Buyback	(6,61,337)	(0.16)	4,66,54,710	11.31
		12.03.2020	Transfer	31,838	0.01	4,66,86,548	11.32
		13.03.2020	Transfer	18,429	0.00	4,67,04,977	11.32
		19.03.2020	Transfer	16,659	0.00	4,67,21,636	11.33
At the end of the year	31.03.2020		4,67,21,636	11.33	4,67,21,636	11.33	
2	<b>Mr. Prem Kumar Bhajanka</b>						
	At the beginning of the year	01.04.2019		3,82,22,553	9.12		
	Changes during the year	15.11.2019	Buyback	(5,33,622)	(0.13)	3,76,88,931	9.14
		23.03.2020	Transfer	8,706	0.00	3,76,97,637	9.14
		24.03.2020	Transfer	21,317	0.01	3,77,18,954	9.15
At the end of the year	31.03.2020		3,77,18,954	9.15	3,77,18,954	9.15	
3	<b>Mr. Rajendra Chamaria</b>						
	At the beginning of the year	01.04.2019		2,02,52,555	4.83		
	Changes during the year	05.06.2019	Transfer	(78,250)	(0.02)	2,01,74,305	4.81

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		15.11.2019	Buyback	(2,82,947)	(0.07)	1,98,91,358	4.82
	At the end of the year	31.03.2020		1,98,91,358	4.82	1,98,91,358	4.82
4	<b>Ms. Divya Agarwal</b>						
	At the beginning of the year	01.04.2019		1,92,70,037	4.60		
	Changes during the year	15.11.2019	Buyback	(2,68,581)	(0.06)	1,90,01,456	4.61
	At the end of the year	31.03.2020		1,90,01,456	4.61	1,90,01,456	4.61
5	<b>Ms. Santosh Bhajanka</b>						
	At the beginning of the year	01.04.2019		1,83,69,835	4.38		
	Changes during the year	15.11.2019	Buyback	(2,56,034)	(0.06)	1,81,13,801	4.39
	At the end of the year	31.03.2020		1,81,13,801	4.39	1,81,13,801	4.39
6	<b>Mr. Sanjay Agarwal</b>						
	At the beginning of the year	01.04.2019		1,72,87,635	4.12		
	Changes during the year	15.11.2019	Buyback	(2,42,155)	(0.06)	1,70,45,480	4.13
	At the end of the year	31.03.2020		1,70,45,480	4.13	1,70,45,480	4.13
7	<b>Brijdham Merchants Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2019		1,02,99,506	2.46		
	Changes during the year	15.11.2019	Buyback	(1,43,764)	(0.03)	1,01,55,742	2.46
	At the end of the year	31.03.2020		1,01,55,742	2.46	1,01,55,742	2.46
8	<b>Sriram Vanijya Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2019		1,13,07,899	2.70		
	Changes during the year	15.11.2019	Buyback	(1,57,607)	(0.04)	1,11,50,292	2.70
		29.11.2019	Transfer	(10,20,895)	(0.25)	1,01,29,397	2.46
	At the end of the year	31.03.2020		1,01,29,397	2.46	1,01,29,397	2.46
9	<b>Mr. Sachin Chamaria</b>						
	At the beginning of the year	01.04.2019		1,00,50,000	2.40		
	Changes during the year	15.11.2019	Buyback	(1,40,074)	(0.03)	99,09,926	2.40
	At the end of the year	31.03.2020		99,09,926	2.40	99,09,926	2.40
10	<b>Sumangal International Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2019		1,01,96,844	2.43		
	Changes during the year	15.11.2019	Buyback	(1,42,121)	(0.03)	1,00,54,723	2.44
		28.11.2019	Transfer	(10,64,000)	(0.26)	89,90,723	2.18
	At the end of the year	31.03.2020		89,90,723	2.18	89,90,723	2.18
11	<b>Sumangal Business Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2019		90,85,549	2.17		
	Changes during the year	15.11.2019	Buyback	(1,26,632)	(0.03)	89,58,917	2.17
		06.12.2019	Transfer	(9,98,866)	(0.24)	79,60,051	1.93
	At the end of the year	31.03.2020		79,60,051	1.93	79,60,051	1.93
12	<b>Sriram Merchants Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2019		89,64,027	2.14		
	Changes during the year	15.11.2019	Buyback	(1,24,938)	(0.03)	88,39,089	2.14
		26.11.2019	Transfer	(10,42,000)	(0.25)	77,97,089	1.89
	At the end of the year	31.03.2020		77,97,089	1.89	77,97,089	1.89
13	<b>Mr. Rahul Chamaria</b>						
	At the beginning of the year	01.04.2019		69,25,000	1.65		
	Changes during the year	15.11.2019	Buyback	(96,518)	(0.02)	68,28,482	1.66

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the end of the year	31.03.2020		68,28,482	1.66	68,28,482	1.66
14	<b>Ms. Yash Bhajanka</b>						
	At the beginning of the year	01.04.2019		44,48,561	1.06		
	Changes during the year	15.11.2019	Buyback	(62,003)	(0.01)	43,86,558	1.06
	At the end of the year	31.03.2020		43,86,558	1.06	43,86,558	1.06
15	<b>Ms. Laxmi Chamaria</b>						
	At the beginning of the year	01.04.2019		42,50,691	1.01		
	Changes during the year	15.11.2019	Buyback	(59,245)	(0.01)	41,91,446	1.02
		20.03.2020	Transfer	5,000	0.00	41,96,446	1.02
	At the end of the year	31.03.2020		41,96,446	1.02	41,96,446	1.02
16	<b>Mr. Prahlad Rai Chamaria (Karta of Prahlad Rai Vinay Kumar HUF)</b>						
	At the beginning of the year	01.04.2019		42,50,000	1.01		
	Changes during the year	15.11.2019	Buyback	(59,235)	(0.01)	41,90,765	1.02
	At the end of the year	31.03.2020		41,90,765	1.02	41,90,765	1.02
17	<b>Ms. Renu Chamaria</b>						
	At the beginning of the year	01.04.2019		38,14,894	0.91		
	Changes during the year	15.11.2019	Buyback	(53,170)	(0.01)	37,61,724	0.91
	At the end of the year	31.03.2020		37,61,724	0.91	37,61,724	0.91
18	<b>Ms. Kamakhya Chamaria</b>						
	At the beginning of the year	01.04.2019		53,29,750	1.27		
	Changes during the year	15.11.2019	Buyback	(74,285)	(0.02)	52,55,465	1.27
		11.02.2020	Transfer	(15,00,000)	(0.36)	37,55,465	0.91
	At the end of the year	31.03.2020		37,55,465	0.91	37,55,465	0.91
19	<b>Ms. Kamakhya Chamaria (Karta of Hardeo Das Kamakhya Prasad HUF)</b>						
	At the beginning of the year	01.04.2019		33,00,000	0.79		
	Changes during the year	15.11.2019	Buyback	(45,994)	(0.01)	32,54,006	0.79
	At the end of the year	31.03.2020		32,54,006	0.79	32,54,006	0.79
20	<b>Mr. Rajendra Chamaria (Karta of Rajendra Udyog HUF)</b>						
	At the beginning of the year	01.04.2019		32,00,000	0.76		
	Changes during the year	05.06.2019	Transfer	78,250	0.02	32,78,250	0.78
		15.11.2019	Buyback	(45,691)	(0.01)	32,32,559	0.78
	At the end of the year	31.03.2020		32,32,559	0.78	32,32,559	0.78
21	<b>Mr. Hari Prasad Agarwal</b>						
	At the beginning of the year	01.04.2019		32,39,560	0.77		
	Changes during the year	15.11.2019	Buyback	(45,339)	(0.01)	31,94,221	0.77
	At the end of the year	31.03.2020		31,94,221	0.77	31,94,221	0.77
22	<b>Mr. Amritansh Chamaria</b>						
	At the beginning of the year	01.04.2019		32,00,000	0.76		
	Changes during the year	15.11.2019	Buyback	(44,601)	(0.01)	31,55,399	0.77
	At the end of the year	31.03.2020		31,55,399	0.77	31,55,399	0.77
23	<b>Mr. Kailash Prasad Chamaria</b>						
	At the beginning of the year	01.04.2019		30,72,250	0.73		
	Changes during the year	15.11.2019	Buyback	(42,820)	(0.01)	30,29,430	0.73
	At the end of the year	31.03.2020		30,29,430	0.73	30,29,430	0.73

SI. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares	% of total shares	
24	<b>Mr. Kailash Prasad Chamaria (Karta of Gouri Shankar Kailash Prasad HUF)</b>							
	At the beginning of the year	01.04.2019		29,00,000	0.69			
	Changes during the year	15.11.2019	Buyback	(40,419)	(0.01)	28,59,581	0.69	
	At the end of the year	31.03.2020		28,59,581	0.69	28,59,581	0.69	
25	<b>Ms. Gayatri Chamaria</b>							
	At the beginning of the year	01.04.2019		25,70,000	0.61			
	Changes during the year	15.11.2019	Buyback	(11,656)	(0.00)	25,58,344	0.62	
	At the end of the year	31.03.2020		25,58,344	0.62	25,58,344	0.62	
26	<b>Auroville Investments Pvt. Ltd.</b>							
	At the beginning of the year	01.04.2019		24,53,850	0.59			
	Changes during the year	15.11.2019	Buyback	(34,201)	(0.01)	24,19,649	0.59	
	At the end of the year	31.03.2020		24,19,649	0.59	24,19,649	0.59	
27	<b>Ms. Bhawna Agarwal</b>							
	At the beginning of the year	01.04.2019		23,56,347	0.56			
	Changes during the year	15.11.2019	Buyback	(32,842)	(0.01)	23,23,505	0.56	
	At the end of the year	31.03.2020		23,23,505	0.56	23,23,505	0.56	
28	<b>Hari Prasad Agarwala and Ors (HUF)</b>							
	At the beginning of the year	01.04.2019		17,36,216	0.41			
	Changes during the year	15.11.2019	Buyback	(24,199)	(0.01)	17,12,017	0.42	
	At the end of the year	31.03.2020		17,12,017	0.42	17,12,017	0.42	
29	<b>Ms. Sonu Kajaria</b>							
	At the beginning of the year	01.04.2019		13,69,913	0.33			
	Changes during the year	15.11.2019	Buyback	(19,093)	(0.00)	13,50,820	0.33	
	At the end of the year	31.03.2020		13,50,820	0.33	13,50,820	0.33	
30	<b>Ms. Sumitra Devi Agarwal</b>							
	At the beginning of the year	01.04.2019		13,42,412	0.32			
	Changes during the year	15.11.2019	Buyback	(18,710)	(0.00)	13,23,702	0.32	
	At the end of the year	31.03.2020		13,23,702	0.32	13,23,702	0.32	
31	<b>Ms. Payal Agrawal</b>							
	At the beginning of the year	01.04.2019		13,30,000	0.32			
	Changes during the year	15.11.2019	Buyback	(18,538)	(0.00)	13,11,462	0.32	
	At the end of the year	31.03.2020		13,11,462	0.32	13,11,462	0.32	
32	<b>Ms. Shraddha Agarwal</b>							
	At the beginning of the year	01.04.2019		10,79,720	0.26			
	Changes during the year	15.11.2019	Buyback	(15,049)	(0.00)	10,64,671	0.26	
		18.03.2020	Transfer	8,000	0.00	10,72,671	0.26	
	20.03.2020	Transfer	5,000	0.00	10,77,671	0.26		
	At the end of the year	31.03.2020		10,77,671	0.26	10,77,671	0.26	
33	<b>Mr. Prahlad Rai Chamaria (Karta of G.S. Chamaria &amp; Sons HUF)</b>							
	At the beginning of the year	01.04.2019		4,00,000	0.10			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2020		4,00,000	0.10	4,00,000	0.10	
34	<b>Mr. Rajesh Kumar Agarwal</b>							
	At the beginning of the year	01.04.2019		3,91,149	0.09			

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	15.11.2019	Buyback	(5,451)	(0.00)	3,85,698	0.09
	At the end of the year	31.03.2020		3,85,698	0.09	3,85,698	0.09
35	<b>Mr. Prahlad Rai Chamaria</b>						
	At the beginning of the year	01.04.2019		3,17,485	0.08		
	Changes during the year	15.11.2019	Buyback	(4,425)	(0.00)	3,13,060	0.08
	At the end of the year	31.03.2020		3,13,060	0.08	3,13,060	0.08
36	<b>Mr. Vinay Chamaria (Karta of Vinay and Company)</b>						
	At the beginning of the year	01.04.2019		3,24,604	0.08		
	Changes during the year	10.05.2019	Transfer	(5,840)	(0.00)	3,18,764	0.08
		13.05.2019	Transfer	(5,000)	(0.00)	3,13,764	0.07
		16.05.2019	Transfer	(1,002)	(0.00)	3,12,762	0.07
		20.05.2019	Transfer	(817)	(0.00)	3,11,945	0.07
		23.05.2019	Transfer	(1,304)	(0.00)	3,10,641	0.07
		24.05.2019	Transfer	(3,000)	(0.00)	3,07,641	0.07
		28.05.2019	Transfer	(9,000)	(0.00)	2,98,641	0.07
		30.05.2019	Transfer	(8,016)	(0.00)	2,90,625	0.07
		15.11.2019	Buyback	(2,411)	(0.00)	2,88,214	0.07
		12.12.2019	Transfer	2,294	0.00	2,90,508	0.07
		19.12.2019	Transfer	2,000	0.00	2,92,508	0.07
		23.12.2019	Transfer	642	0.00	2,93,150	0.07
		26.12.2019	Transfer	1,000	0.00	2,94,150	0.07
		18.02.2020	Transfer	1,100	0.00	2,95,250	0.07
		06.03.2020	Transfer	2,000	0.00	2,97,250	0.07
		09.03.2020	Transfer	654	0.00	2,97,904	0.07
		12.03.2020	Transfer	2,000	0.00	2,99,904	0.07
		13.03.2020	Transfer	1,000	0.00	3,00,904	0.07
		19.03.2020	Transfer	1,000	0.00	3,01,904	0.07
	At the end of the year	31.03.2020		3,01,904	0.07	3,01,904	0.07
37	<b>Ms. Ratna Chamaria</b>						
	At the beginning of the year	01.04.2019		2,39,606	0.06		
	Changes during the year	15.11.2019	Buyback	(3,339)	(0.00)	2,36,267	0.06
	At the end of the year	31.03.2020		2,36,267	0.06	2,36,267	0.06
38	<b>Ms. Nancy Choudhary</b>						
	At the beginning of the year	01.04.2019		1,70,000	0.04		
	Changes during the year	15.11.2019	Buyback	(2,369)	(0.00)	1,67,631	0.04
	At the end of the year	31.03.2020		1,67,631	0.04	1,67,631	0.04
39	<b>Mr. Keshav Bhajanka</b>						
	At the beginning of the year	01.04.2019		1,63,490	0.04		
	Changes during the year	15.11.2019	Buyback	(2,278)	(0.00)	1,61,212	0.04
	At the end of the year	31.03.2020		1,61,212	0.04	1,61,212	0.04
40	<b>Ms. Saroj Kejriwal</b>						
	At the beginning of the year	21.05.2019		75,000	0.02		
	Changes during the year	15.11.2019	Buyback	(1,060)	(0.00)	73,940	0.02
	At the end of the year	31.03.2020		73,940	0.02	73,940	0.02

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
41	<b>Mr. Amit Agarwal</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
42	<b>Mr. Rishi Raj Shah</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
43	<b>Mr. Jagdish Prasad Shah</b>						
	At the beginning of the year	01.04.2019		2,25,000	0.05		
	Changes during the year	21.05.2019	Transfer	(2,25,000)	(0.05)	-	-
	At the end of the year	21.05.2019		-	-	-	-
44	<b>Ms. Pushpa Agarwala</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-

Note: During the year the Company has bought back 68,00,000 Equity shares of Re.1/- each.

#### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>MAHABIR PRASAD AGARWAL *</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year	25.10.2019	Transfer	1,05,00,000	2.50	1,05,00,000	2.50
		22.11.2019	Transfer	20,00,000	0.48	1,25,00,000	3.03
		29.11.2019	Transfer	30,00,000	0.73	1,55,00,000	3.76
		20.12.2019	Transfer	15,00,000	0.36	1,70,00,000	4.12
		06.03.2020	Transfer	10,00,000	0.24	1,80,00,000	4.36
	At the end of the year	31.03.2020		1,80,00,000	4.36	1,80,00,000	4.36
2	<b>MAHABIR PRASAD AGARWAL *</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year	25.10.2019	Transfer	1,05,00,000	2.50	1,05,00,000	2.50
		22.11.2019	Transfer	20,00,000	0.48	1,25,00,000	3.03
		29.11.2019	Transfer	30,00,000	0.73	1,55,00,000	3.76
		20.12.2019	Transfer	15,00,000	0.36	1,70,00,000	4.12
		06.03.2020	Transfer	10,00,000	0.24	1,80,00,000	4.36
	At the end of the year	31.03.2020		1,80,00,000	4.36	1,80,00,000	4.36
3	<b>SUBHAM CAPITAL PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2019		50,10,927	1.20		
	Changes during the year	15.11.2019	Buyback	(70,235)	(0.02)	49,40,692	1.20
		29.11.2019	Transfer	20,000	0.00	49,60,692	1.20
		06.12.2019	Transfer	60,56,263	1.47	1,10,16,955	2.67



Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		13.12.2019	Transfer	10,02,578	0.24	1,20,19,533	2.91
		31.01.2020	Transfer	9,13,333	0.22	1,29,32,866	3.14
	At the end of the year	31.03.2020		1,29,32,866	3.14	1,29,32,866	3.14
4	<b>SBI EQUITY HYBRID FUND</b>						
	At the beginning of the year	01.04.2019		2,42,34,751	5.78		
	Changes during the year	07.06.2019	Transfer	(1,25,000)	(0.03)	2,41,09,751	5.75
		02.08.2019	Transfer	1,00,000	0.02	2,42,09,751	5.77
		15.11.2019	Buyback	(4,00,157)	(0.10)	2,38,09,594	5.77
		07.02.2020	Transfer	(65,011)	(0.02)	2,37,44,583	5.76
	At the end of the year	31.03.2020		2,37,44,583	5.76	2,37,44,583	5.76
5	<b>BRIJ BHUSHAN AGARWAL</b>						
	At the beginning of the year	01.04.2019		1,10,92,886	2.65		
	Changes during the year	15.11.2019	Buyback	(1,54,292)	(0.04)	1,09,38,594	2.65
	At the end of the year	31.03.2020		1,09,38,594	2.65	1,09,38,594	2.65
6	<b>DSP BLACK ROCK SMALL CAP FUND</b>						
	At the beginning of the year	01.04.2019		33,42,807	0.80		
	Changes during the year	08.11.2019	Transfer	46,427	0.01	33,89,234	0.81
		15.11.2019	Buyback	(47,424)	(0.01)	33,41,810	0.81
		07.02.2020	Transfer	78,442	0.02	34,20,252	0.83
		14.02.2020	Transfer	1,89,098	0.05	36,09,350	0.88
		21.02.2020	Transfer	43,642	0.01	36,52,992	0.89
		28.02.2020	Transfer	39,061	0.01	36,92,053	0.90
		06.03.2020	Transfer	2,38,361	0.06	39,30,414	0.95
		13.03.2020	Transfer	30,481	0.01	39,60,895	0.96
		31.03.2020	Transfer	9,83,001	0.24	49,43,896	1.20
	At the end of the year	31.03.2020		49,43,896	1.20	49,43,896	1.20
7	<b>MAHABIR PRASAD AGARWAL</b>						
	At the beginning of the year	01.04.2019		41,58,393	0.99		
	Changes during the year	23.08.2019	Transfer	42,420	0.01	42,00,813	1.00
		30.08.2019	Transfer	2,833	0.00	42,03,646	1.00
		15.11.2019	Buyback	(57,962)	(0.01)	41,45,684	1.01
	At the end of the year	31.03.2020		41,45,684	1.01	41,45,684	1.01
8	<b>NARANTAK DEALCOMM LIMITED</b>						
	At the beginning of the year	01.04.2019		36,61,148	0.87		
	Changes during the year	15.11.2019	Buyback	(51,580)	(0.01)	36,09,568	0.88
	At the end of the year	31.03.2020		36,09,568	0.88	36,09,568	0.88
9	<b>ABAKKUS GROWTH FUND-1 *</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year	05.04.2019	Transfer	25,00,000	0.60	25,00,000	0.60
		26.07.2019	Transfer	16,500	0.00	25,16,500	0.60
		02.08.2019	Transfer	15,304	0.00	25,31,804	0.60
		09.08.2019	Transfer	10,196	0.00	25,42,000	0.61
		23.08.2019	Transfer	10,000	0.00	25,52,000	0.61
		15.11.2019	Buyback	(46,798)	(0.01)	25,05,202	0.61
		13.03.2020	Transfer	25,000	0.01	25,30,202	0.61

SI. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the end of the year	31.03.2020		25,30,202	0.61	25,30,202	0.61
10	<b>KANTA AGARWAL *</b>						
	At the beginning of the year	01.04.2019		20,32,750	0.48		
	Changes during the year	15.11.2019	Buyback	(28,584)	(0.01)	20,04,166	0.49
	At the end of the year	31.03.2020		20,04,166	0.49	20,04,166	0.49
11	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM INFRASTRUCTURE ADVANTAGE FUND #</b>						
	At the beginning of the year	01.04.2019		83,02,048	1.98		
	Changes during the year	12.07.2019	Transfer	10,000	0.00	83,12,048	1.98
		06.09.2019	Transfer	(9,62,917)	(0.23)	73,49,131	1.75
		27.09.2019	Transfer	(48,895)	(0.01)	73,00,236	1.74
		30.09.2019	Transfer	(51)	(0.00)	73,00,185	1.74
		18.10.2019	Transfer	(56,036)	(0.01)	72,44,149	1.73
		25.10.2019	Transfer	(64,982)	(0.02)	71,79,167	1.71
		01.11.2019	Transfer	(48,964)	(0.01)	71,30,203	1.70
		15.11.2019	Buyback	(1,49,611)	(0.04)	69,80,592	1.69
		22.11.2019	Transfer	(53,573)	(0.01)	69,27,019	1.68
		29.11.2019	Transfer	(83,908)	(0.02)	68,43,111	1.66
		06.12.2019	Transfer	(22,14,190)	(0.54)	46,28,921	1.12
		13.12.2019	Transfer	(10,23,120)	(0.25)	36,05,801	0.87
		27.12.2019	Transfer	(1,667)	(0.00)	36,04,134	0.87
		24.01.2020	Transfer	(5,00,000)	(0.12)	31,04,134	0.75
		31.01.2020	Transfer	(74,142)	(0.02)	30,29,992	0.73
		07.02.2020	Transfer	(2,86,458)	(0.07)	27,43,534	0.67
		06.03.2020	Transfer	(1,343)	(0.00)	27,42,191	0.66
		31.03.2020	Transfer	(9,45,000)	(0.23)	17,97,191	0.44
	At the end of the year	31.03.2020		17,97,191	0.44	17,97,191	0.44
12	<b>SUMITRA DEVI AGARWAL #</b>						
	At the beginning of the year	01.04.2019		39,51,782	0.94		
	Changes during the year	21.06.2019	Transfer	3,649	0.00	39,55,431	0.94
		28.06.2019	Transfer	8,028	0.00	39,63,459	0.95
		12.07.2019	Transfer	2,000	0.00	39,65,459	0.95
		19.07.2019	Transfer	2,000	0.00	39,67,459	0.95
		23.08.2019	Transfer	1,04,605	0.02	40,72,064	0.97
		15.11.2019	Buyback	(38,990)	(0.01)	40,33,074	0.98
		22.11.2019	Transfer	(24,87,457)	(0.60)	15,45,617	0.37
		06.12.2019	Transfer	7,000	0.00	15,52,617	0.38
		17.01.2020	Transfer	152	0.00	15,52,769	0.38
	At the end of the year	31.03.2020		15,52,769	0.38	15,52,769	0.38
13	<b>MITTU AGARWAL #</b>						
	At the beginning of the year	01.04.2019		78,12,870	1.86		
	Changes during the year	19.07.2019	Transfer	7,896	0.00	78,20,766	1.87
		25.10.2019	Transfer	(60,00,000)	(1.43)	18,20,766	0.43
		15.11.2019	Buyback	(1,08,960)	(0.03)	17,11,806	0.42
		22.11.2019	Transfer	(15,00,000)	(0.36)	2,11,806	0.05
		06.12.2019	Transfer	4,000	0.00	2,15,806	0.05

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		13.12.2019	Transfer	6,00,000	0.15	8,15,806	0.20
		03.01.2020	Transfer	3,464	0.00	8,19,270	0.20
	At the end of the year	31.03.2020		8,19,270	0.20	8,19,270	0.20
14	<b>SHEETIJ AGARWAL #</b>						
	At the beginning of the year	01.04.2019		92,04,528	2.20		
	Changes during the year	25.10.2019	Transfer	(40,00,000)	(0.95)	52,04,528	1.24
		15.11.2019	Buyback	(1,28,193)	(0.03)	50,76,335	1.23
		29.11.2019	Transfer	(20,00,000)	(0.48)	30,76,335	0.75
		20.12.2019	Transfer	(20,00,000)	(0.48)	10,76,335	0.26
	At the end of the year	31.03.2020		10,76,335	0.26	10,76,335	0.26
15	<b>SUBHAM AGARWAL #</b>						
	At the beginning of the year	01.04.2019		1,55,53,327	3.71		
	Changes during the year	31.05.2019	Transfer	7,982	0.00	1,55,61,309	3.71
		07.06.2019	Transfer	4,220	0.00	1,55,65,529	3.71
		21.06.2019	Transfer	5,373	0.00	1,55,70,902	3.71
		05.07.2019	Transfer	244	0.00	1,55,71,146	3.71
		12.07.2019	Transfer	8,723	0.00	1,55,79,869	3.72
		19.07.2019	Transfer	1,000	0.00	1,55,80,869	3.72
		09.08.2019	Transfer	30,487	0.01	1,56,11,356	3.72
		16.08.2019	Transfer	1,364	0.00	1,56,12,720	3.72
		25.10.2019	Transfer	(1,00,00,000)	(2.39)	56,12,720	1.34
		15.11.2019	Buyback	(2,17,655)	(0.05)	53,95,065	1.31
		29.11.2019	Transfer	(25,00,000)	(0.61)	28,95,065	0.70
		20.12.2019	Transfer	(10,00,000)	(0.24)	18,95,065	0.46
	At the end of the year	31.03.2020		18,95,065	0.46	18,95,065	0.46

Note:

\* Not in the list of Top 10 shareholders as on 01.04.2019, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2020.

# Ceased to be in the list of Top 10 shareholders as on 31.03.2020. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2019.

1. The above information is based on the weekly beneficiary position received from Depositories.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Sajjan Bhajanka, Managing Director</b>						
	At the beginning of the year	01.04.2019		4,73,16,047	11.29		
	Changes during the year	15.11.2019	Buyback	(6,61,337)	(0.16)	4,66,54,710	11.31
		12.03.2020	Transfer	31,838	0.01	4,66,86,548	11.32
		13.03.2020	Transfer	18,429	0.00	4,67,04,977	11.32
		19.03.2020	Transfer	16,659	0.00	4,67,21,636	11.33
	At the end of the year	31.03.2020		4,67,21,636	11.33	4,67,21,636	11.33

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares	% of total shares	
2	<b>Mr. Sanjay Agarwal, Managing Director</b>							
	At the beginning of the year	01.04.2019		1,72,87,635	4.12			
	Changes during the year	15.11.2019	Buyback	(2,42,155)	(0.06)	1,70,45,480	4.13	
	At the end of the year	31.03.2020		1,70,45,480	4.13	1,70,45,480	4.13	
3	<b>Mr. Rajendra Chamaria, Managing Director</b>							
	At the beginning of the year	01.04.2019		2,02,52,555	4.83			
	Changes during the year	05.06.2019	Transfer	(78,250)	(0.02)	2,01,74,305	4.81	
		15.11.2019	Buyback	(2,82,947)	(0.07)	1,98,91,358	4.82	
At the end of the year	31.03.2020		1,98,91,358	4.82	1,98,91,358	4.82		
4	<b>Mr. Prem Kumar Bhajanka, Non-Executive Director</b>							
	At the beginning of the year	01.04.2019		3,82,22,553	9.12			
	Changes during the year	15.11.2019	Buyback	(5,33,622)	(0.13)	3,76,88,931	9.14	
		23.03.2020	Transfer	8,706	0.00	3,76,97,637	9.14	
		24.03.2020	Transfer	21,317	0.01	3,77,18,954	9.15	
At the end of the year	31.03.2020		3,77,18,954	9.15	3,77,18,954	9.15		
5	<b>Mr. Pankaj Kejriwal, Non-Executive Director</b>							
	At the beginning of the year	01.04.2019		4,522	0.00			
	Changes during the year	24.05.2019	Transfer	98,025	0.02	1,02,547	0.02	
		15.11.2019	Buyback	(1,907)	(0.00)	1,00,640	0.02	
At the end of the year	31.03.2020		1,00,640	0.02	1,00,640	0.02		
6	<b>Mr. Mangilal Jain, Independent Director</b>							
	At the beginning of the year	01.04.2019		4,655	0.00			
	Changes during the year	15.11.2019	Buyback	(4,655)	(0.00)	-	0.00	
		15.11.2019	Transfer	4,569	0.00	4,569	0.00	
At the end of the year	31.03.2020		4,569	0.00	4,569	0.00		
7	<b>Mrs. Plistina Dkhar, Independent Director</b>							
	At the beginning of the year	01.04.2019		997	0.00	-	-	
	Changes during the year			No changes during the year				
At the end of the year	31.03.2020		997	0.00	997	0.00		
8	<b>Mr. Santanu Ray, Independent Director</b>							
	At the beginning of the year	01.04.2019		-	-			
	Changes during the year			No changes during the year				
At the end of the year	31.03.2020		-	-	-	-		
9	<b>Mrs. Ibaridor Katherine War, Independent Director</b>							
	At the beginning of the year	01.04.2019		-	-			
	Changes during the year			No changes during the year				
At the end of the year	31.03.2020		-	-	-	-		
10	<b>Mr. Pramod Kumar Shah, Independent Director</b>							
	At the beginning of the year	01.04.2019		-	-			
	Changes during the year			No changes during the year				
At the end of the year	31.03.2020		-	-	-	-		
11	<b>Mr. Sanjay Kumar Gupta, Chief Executive Officer</b>							
	At the beginning of the year	01.04.2019		4,222	0.00			
	Changes during the year	15.11.2019	Buyback	(78)	(0.00)	4,144	0.00	
At the end of the year	31.03.2020		4,144	0.00	4,144	0.00		

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
12	<b>Mr. Manoj Agarwal, Chief Financial Officer</b>						
	At the beginning of the year	01.04.2019		4,237	0.00		
	Changes during the year	21.06.2019	Transfer	(1,000)	(0.00)	3,237	0.00
		15.11.2019	Buyback	(58)	(0.00)	3,179	0.00
At the end of the year	31.03.2020		3,179	0.00	3,179	0.00	
13	<b>Mr. Debabrata Thakurta, Company Secretary</b>						
	At the beginning of the year	01.04.2019		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-

## V. INDEBTEDNESS - STAR CEMENT LIMITED

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt. ₹/ Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	603.41	14,836.00	-	15,439.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.61	276.46	-	277.07
<b>Total (i+ii+iii)</b>	<b>604.02</b>	<b>15,112.46</b>	<b>-</b>	<b>15,716.48</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	(61.03)	(551.54)	-	(612.57)
Net Change	(61.03)	(551.54)	-	(612.57)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	542.38	14,284.46	-	14,826.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.98	-	-	0.98
<b>Total (i+ii+iii)</b>	<b>543.37</b>	<b>14,284.46</b>	<b>-</b>	<b>14,827.82</b>

\*\* Trade Deposits have not been included

# Loss on account of Exchange Fluctuation in respect of Loans in Foreign Currency has been included in addition in indebtedness. Similarly, gain on account of Exchange Fluctuation has been included in Reduction in indebtedness.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹/ Lakhs)
		Sajjan Bhajanka	Sanjay Agarwal	Rajendra Chamaria	
		MD	MD	MD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	198.00	198.00	304.20	700.20
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-

Sl. No.	Particulars of Remuneration Name Designation	Name of MD/WTD/ Manager			Total Amount (₹/Lakhs)
		Sajjan Bhajanka	Sanjay Agarwal	Rajendra Chamaria	
		MD	MD	MD	
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>198.00</b>	<b>198.00</b>	<b>304.20</b>	<b>700.20</b>
	Ceiling as per the Act	10% of the Net profit i.e., ₹2508.47 Lakhs			

**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹/Lakhs)
		Mangilal Jain	Santanu Ray	Plistina Dkhar	Ibaridor Katherine War	Pramod Kumar Shah	
1	<b>Independent Directors</b>						
	Fee for attending board/ committee meetings	1.60	1.05	0.15	0.15	1.35	4.30
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.60</b>	<b>1.05</b>	<b>0.15</b>	<b>0.15</b>	<b>1.35</b>	<b>4.30</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board/ committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, remuneration paid in professional capacity	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1.60</b>	<b>1.05</b>	<b>0.15</b>	<b>0.15</b>	<b>1.35</b>	<b>4.30</b>
	<b>Total Managerial Remuneration</b>						<b>704.50</b>
	Overall Ceiling as per the Act	11% of the Net Profit i.e., ₹2759.32 Lakhs					

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration Name Designation	Name of Key Managerial Personnel			Total Amount (₹/Lakhs)
		Sanjay Kumar Gupta	Manoj Agarwal	Debabrata Thakurta	
		CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	189.77	71.31	26.45	287.53
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>189.77</b>	<b>71.31</b>	<b>26.45</b>	<b>287.53</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
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There were no penalties/Punishments/Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.

Annexure - 2  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

To  
 The Members,  
**STAR CEMENT LIMITED**

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

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

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, 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, 2020, 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, 2009 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e) The Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998 and 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;

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

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

We further report that:

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

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

We further report that during the audit period, the Company has passed the following special resolutions:

- a) re-appointment of Mr. Pramod Kumar Shah as an Independent Director for a second term of three consecutive years

commencing from 1st April, 2020 upto 31st March, 2023;

- b) Revision in remuneration of Mr. Rajendra Chamaria, Managing Director of the Company, with effect from 1st April, 2019 for remaining period of his present term of appointment;

We further report that during the period under audit the Company has:

- a) bought back upto 68,00,000 fully paid-up Equity Shares of Re.1/- each of the Company from all the Equity shareholders of the Company at a price of ₹150/- per equity share on a proportionate basis through the 'Tender Offer' route using the Stock Exchange Mechanism for an aggregate consideration not exceeding ₹102 crores on 15 November, 2019.
- b) Appointed Mr. Amit Kiran Deb as an Additional Director in Independent category of the Company on 06th February, 2020 with effect from 1st April, 2020 to hold office upto 31st March, 2025;

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

For **MKB & Associates**  
Company Secretaries

**Raj Kumar Banthia**  
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

UDIN: A017190B000380157

Date: 25.06.2020

Place: Kolkata

### Annexure- I

To  
The Members,  
**STAR CEMENT LIMITED**

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

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

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

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode only and the same have been verified by us.

For **MKB & Associates**  
Company Secretaries

**Raj Kumar Banthia**  
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

UDIN: A017190B000380157

Date: 25.06.2020

Place: Kolkata



Annexure - 2A  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

To

The Members,

**STAR CEMENT MEGHALAYA LIMITED**

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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, 2020, 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 [ Not applicable to the Company during the audit period];
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI were not applicable.

- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

- a) The Environment (Protection) Act, 1986
- b) The Water (Prevention and Control of Pollution) Act, 1974
- c) The Air (Prevention and Control of Pollution) Act, 1981
- d) The Legal Metrology Act, 2009
- e) The Petroleum Act, 1934
- f) The Mines And Minerals (Development And Regulation) Act, 1957

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

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

We further report that

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

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

We further report that during the period under audit:

- a) Mr. Prem Kumar Bhajanka has been re-appointed as the Managing Director and Key Managerial Personnel of the Company for a further period of three years with effect from 1st April, 2020 to 31st March, 2023;

- b) Mr. Pramod Kumar Shah has been appointed as an Additional Director in Independent category of the Company by the Board of Directors on 06th February, 2020 for a period of five years with effect from 1st April, 2020, to hold office upto 31st March, 2025.

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

Date: 25.06.2020  
Place: Kolkata

For **MKB & Associates**  
*Company Secretaries*

**Raj Kumar Banthia**  
*[Partner]*

ACS no. 17190  
COP no. 18428

FRN: P2010WB042700  
UDIN: A017190B000380190

#### 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening of events, etc.

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

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode only and the same have been verified by us.

For **MKB & Associates**  
*Company Secretaries*

**Raj Kumar Banthia**  
*[Partner]*

ACS no. 17190  
COP no. 18428

Date: 25.06.2020  
Place: Kolkata

FRN: P2010WB042700  
UDIN: A017190B000380190

## Annexure - 3

# 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

(ii) Sale of Cement and Limestone

(iii) Services Received

The transaction value for the financial year 2019-20 with SCML was ₹ 66,112.02 Lakhs.

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

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

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

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

*Chairman*

(DIN: 00246043)

Place: Kolkata

Date: 25th June, 2020

## Annexure - 4

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

(Pursuant to Section 135 of the Act & Rules made thereunder)

**1. A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes:**

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. 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.

The CSR policy of the Company is available on the Company's website under the weblink: <http://starcement.co.in/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf>

**2. The composition of the CSR Committee**

Mr. Sanjay Agarwal - Chairman (Executive Director)

Mr. Sajjan Bhajanka - Member (Executive Director)

Mr. Mangilal Jain - Member (Independent Director)  
(till 31st March, 2020)

Mr. Santanu Ray - Member (Independent Director)  
(w.e.f. 1st April, 2020)

**3. Average Net Profit of the Company for last 3 financial years:**

₹19,803.65 Lakhs

**4. Prescribed CSR expenditure (2% of amount): ₹396.07 Lakhs**

**5. Details of CSR activities/projects undertaken during the year:**

a) Total amount to be spent for the financial year: ₹396.07 Lakhs

b) Amount un-spent, if any: NIL

c) Manner in which the amount spent during financial year is detailed below:

(₹ In Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area or other 2. Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs, 2. Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency*
1.	Promoting education to rural people and various student support programme	Education	In various parts of India	145.79	145.79	145.79	Direct, through the registered trust & implementing agency
2.	Promoting health care including preventive health care, sanitation programs and organizing medical camps	Health and sanitation	Assam, Meghalaya and West Bengal	76.95	76.95	76.95	Direct & through the registered trust
3.	Relief to Flood affected people	Disaster Relief	Assam and West Bengal	56.33	56.33	56.33	Through the registered trust
4.	Rural Development programmes	Rural development projects	Assam and Meghalaya	52.93	52.93	52.93	Through the registered trust
5.	Enhancing vocational skills	Livelihood enhancement	Assam, Meghalaya and West Bengal	63.31	63.31	63.31	Through the registered trust
6.	Sports upliftment	Sports upliftment	Assam and Meghalaya	10.76	10.76	10.76	Through the registered trust
	<b>Total</b>			<b>406.07</b>	<b>406.07</b>	<b>406.07</b>	

\*Details of implementing Agency/Trust: Friends of Tribal Society, Lumshnong Village Local Area Welfare Trust and Star Cement Charitable Trust

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Kolkata  
Date: 25th June, 2020

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Sanjay Agarwal**  
Chairman- CSR Committee

## Annexure - 5

# TO DIRECTORS' REPORT

# FORM AOC -1

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

### Part "A": Subsidiaries

(₹ in lakhs)

Sl. No.	Name of the subsidiary	Megha Technical & Engineers Pvt Ltd	Star Cement Meghalaya Ltd	Meghalaya Power Ltd	Star Century Global Cement Pvt Limited	NE Hills Hydro Ltd
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A
3	Share capital	2,734.64	2,981.78	1,713.06	20.03	7.00
4	Other Equity	27,941.53	65,113.52	12,652.17	(2.88)	21.82
5	Total assets	30,922.87	77,408.50	23,360.99	22.69	29.53
6	Total Liabilities	30,922.87	77,408.50	23,360.99	22.69	29.53
7	Investments	9,248.32	-	-	-	25.92
8	Turnover	449.19	60,959.69	12,217.10	-	-
9	Profit before taxation	422.31	6,214.92	373.14	(2.88)	(0.39)
10	Provision for taxation	163.72	(0.97)	13.77	-	-
11	Profit after taxation	258.59	6,215.89	359.37	(2.88)	(0.39)
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100.00	87.49	51.20	100.00	100.00

The following information shall be furnished:

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

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

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

**For and on Behalf of the Board**

**Sanjay Kumar Gupta**  
Chief Executive Officer

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

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

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

Place: Kolkata  
Date: 25th June, 2020

## Annexure - 6

**PARTICULARS OF MANAGERIAL REMUNERATION**

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

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

Name of Directors & Key Managerial Personnel	Designation	Percentage Increase in Remuneration	Ratio to median remuneration**
Mr. Sajjan Bhajanka	Managing Director	NIL	51.84:1
Mr. Sanjay Agarwal	Managing Director	NIL	51.84:1
Mr. Rajendra Chamaria	Managing Director	28.35	79.64:1
Mr. Pankaj Kejriwal	Non-Executive Director	NA	NA
Mr. Prem Kumar Bhajanka	Non-Executive Director	NA	NA
Mr. Mangilal Jain (upto 31.03.2020)	Independent Director	NA	NA
Mr. Santanu Ray	Independent Director	NA	NA
Mrs. Ibaridor Katherine War	Independent Director	NA	NA
Mrs. Plistina Dkhar	Independent Director	NA	NA
Mr. Pramod Kumar Shah	Independent Director	NA	NA
Mr. Amit Kiran Deb (w.e.f 01.04.2020)	Independent Director	-	-
Mr. Sanjay Kumar Gupta	Chief Executive Officer	38.43	-
Mr. Manoj Agarwal	Chief Financial Officer	10.10	-
Mr. Debabrata Thakurta	Company Secretary	14.75	-

\*\* 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.

- (i) **Percentage increase in the median remuneration of employees in the Financial Year: 7.75%**
- (ii) **The number of permanent employees on the roll of the Company: 696**
- (iii) **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 2019 -20 was 9% while the average percentile increase in the Managerial remuneration for Mr. Sajjan Bhajanka and Mr. Sanjay Agarwal was NIL and Mr. Rajendra Chamaria was 28.35%. Increase in salary of Mr. Rajendra Chamaria is an outcome of the individual performances and contributions made by him as well as business affordability.
- (iv) **It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.**

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

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Sanjay Kumar Gupta	Chief Executive Officer	189.77	Permanent	CA, CWA	24	10.03.2003	50	Vinay Cement Limited	0.01	None
2	Mr. Jyoti Swaroop Agarwal	President - Sales & Marketing	146.76	Permanent	M.Com	37	27.03.2006	60	Ambuja Cement	NIL	None
3	Mr. Manoj Agarwal	Chief Financial Officer	71.31	Permanent	CA, CS, LLB	24	27.07.2009	48	Reliance Retail Limited	0.00	None
4	Mr. Surya Prakash Shrimali	Assistant Vice President	62.62	Permanent	B. Sc.	39	10.12.2008	64	ZPCL, Zambia (South Africa)	NIL	None
5	Mr. Shouvik Chakraborty	Senior General Manager - Sales	62.43	Permanent	BE; MBA	20	01.09.2010	43	Adhunik Cement Limited	NIL	None
6	Mr. Sachin Chamarla	Executive Director- Business Development (not a member of Board)	60.00	Permanent	B.com (Hons.)	8	01.01.2013	30	-	2.40	Son of Mr. Rajendra Chamarla
7	Mr. Rahul Chamarla	Executive Director- Technical (not a member of Board)	60.00	Permanent	B.E. Mechanical	11	01.04.2009	34	-	1.65	Son of Mr. Rajendra Chamarla
8	Mr. Mukesh Saxena	Vice President	59.17	Permanent	B.E. Mechanical	27	20.02.2012	53	A.B.G.Cement Ltd.	NIL	None
9	Mr. PVS Ravikumar	Senior General Manager	49.76	Permanent	BSc., PG Dip. in Business Management	28	15.01.2018	51	Century Cement	NIL	None
10	Mr. Sanjay Anthony	General Manager - Purchase	47.70	Permanent	B.E. Mechanical	28	05.01.2015	52	Tata Steel BSL Ltd.	NIL	None

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: 25th June, 2020

# Report on corporate governance for the year 2019-20

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 stakeholders. It emphasizes the need for full transparency, accountability and compliances with laws and regulations in all its transactions and interactions with its stakeholders, employees, lenders and the Government etc., without compromising the environment and health of society at large. Your Company has complied with the requirements of Corporate Governance as laid down under SEBI Regulations.

## BOARD OF DIRECTORS

### Composition

As on the date of this report, the Board consists of ten Directors, including and headed by an Executive Chairman, two Executive Directors, two Non-Executive Directors and five Independent Directors out of which two are women Directors. The Board members are expert in different disciplines of corporate working. The Independent Directors are expert professionals with high credentials and actively contribute in the deliberations of the Board.

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

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

The Composition is as provided below:

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

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

\*\* Mr. Amit Kiran Deb was appointed as an additional director in independent category w.e.f. 01.04.2020.



### Directorship, Committee membership and Chairmanship

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

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

\* 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.

# Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

## Mr. Amit Kiran Deb was appointed as an additional director in independent category w.e.f. 01.04.2020.

**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, etc.
Mr. Sanjay Agarwal	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance, etc.
Mr. Rajendra Chamaria	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance, etc.
Mr. Prem Kumar Bhajanka	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Sales, Marketing, Branding, Board procedures and Governance, etc.
Mr. Pankaj Kejriwal	Industry, Leadership, Production, Technical, Logistics, Legal, Sales, Marketing, Risk, Board procedures and Governance, etc.
Mr. Mangilal Jain *	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures and Governance. etc.
Mr. Amit Kiran Deb **	Administration, General management, Accounts & Finance, Risk, Board procedures and Governance, etc.
Mr. Santanu Ray	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures, Governance etc.
Mrs. Plistina Dkhar	Administration and General management, Board procedures, Governance, etc.
Mrs. Ibaridor Katherine War	Administration and General management, Board procedures, Governance, Legal etc.
Mr. Pramod Kumar Shah	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures, Governance, etc.

\*Upto 31st March, 2020

\*\* W.e.f. 1st April, 2020

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

**Board Meetings and Procedures**

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

All the meetings are scheduled well in advance and notices are sent to all the Directors at their address registered with the Company. In case a meeting is called at shorter notice to transact urgent business, requirements of Section 173(3) are complied with. The agenda of the meeting are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman and consent of the members. Drafts minutes of the proceedings of the Board/Committee Meetings are circulated in advance and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.

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

Six (6) Board Meetings were held during the Financial Year 2019-20 and the gap between two meetings did not exceed 120 days. The Meetings were held on 07th May, 2019; 21st June, 2019; 31st July, 2019; 27th September, 2019; 05th November, 2019 and 06th February, 2020. The attendance at the Board Meetings during the financial year 2019-20 and at the previous Annual General Meeting is as under:

Name of Director	No. of Board Meeting Attended	Last AGM Attended
Mr. Sajjan Bhajanka	6	Yes
Mr. Sanjay Agarwal	4	No
Mr. Rajendra Chamaria	5	No
Mr. Pankaj Kejriwal	3	No
Mr. Prem Kumar Bhajanka	3	No
Mr. Mangilal Jain *	6	Yes
Mr. Santanu Ray	6	Yes
Mrs. Plistina Dkhar	1	Yes
Mrs. Ibaridor Katherine War	1	No
Mr. Pramod Kumar Shah	5	No
Mr. Amit Kiran Deb **	-	-

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

\*\* Mr. Amit Kiran Deb was appointed as an additional director in independent category w.e.f. 01.04.2020.

### 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 20th March, 2020 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

### Induction and Familiarization Program for Directors

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

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. modified opinion(s) in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. To review utilization of loans and/ or advances by holding company in subsidiary companies exceeding ₹100.00 crores 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 2019-20. 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 was chaired by Mr. Mangilal Jain who have served the Company till 31.03.2020. Mr. Amit Kiran Deb was appointed as the independent director of the Company and as the Chairman of the Audit Committee w.e.f 01.04.2020 in place of Mr. Mangilal Jain. The meetings were held on 07th May, 2019; 31st July, 2019; 05th November, 2019 and 06th February, 2020.

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. Mangilal Jain *	Chairman – Independent, Non-Executive	4
Mr. Amit Kiran Deb **	Chairman - Independent, Non-Executive	-
Mr. Pramod Kumar Shah	Member – Independent, Non-Executive	4
Mr. Sajjan Bhajanka	Member - Non-Independent, Executive	4

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

\*\* Mr. Amit Kiran Deb was appointed as an additional director in independent category and the member and Chairman of the said committee w.e.f. 01.04.2020.

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: <http://starcement.co.in/wp-content/uploads/Remuneration-policy.pdf>

### Composition, number of Meetings and Attendance

The composition of the Nomination and Remuneration Committee is in accordance with the regulatory requirements specified by Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as Secretary to the Committee. The Remuneration Committee meetings were held on 07th May, 2019 and 06th February, 2020 during the Financial Year 2019-20.

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. Mangilal Jain *	Chairman - Independent, Non-Executive	2
Mr. Amit Kiran Deb **	Chairman - Independent, Non-Executive	-
Mr. Pramod Kumar Shah	Member - Independent, Non-Executive	2
Mr. Prem Kumar Bhajanka	Member - Non-Independent, Non-Executive	1

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

\*\* Mr. Amit Kiran Deb was appointed as an additional director in the independent category and the member of the said committee w.e.f. 01.04.2020.

### Remuneration paid to the Directors:

The details of remuneration paid to Directors for the Financial Year 2019-20 is provided below:

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fees (₹)	No. of Shares held as on 31.03.2020
1.	Mr. Sajjan Bhajanka	Chairman & Managing Director	1,98,00,000	-	4,67,21,636
2.	Mr. Sanjay Agarwal	Managing Director	1,98,00,000	-	1,70,45,480
3.	Mr. Rajendra Chamaria	Vice - Chairman & Managing Director	3,04,20,000	-	1,98,91,358
4.	Mr. Prem Kumar Bhajanka	Director	-	-	3,77,18,954
5.	Mr. Pankaj Kejriwal	Director	-	-	1,00,640
6.	Mr. Mangilal Jain	Independent Director	-	1,60,000	4,569
7.	Mr. Santanu Ray	Independent Director	-	1,05,000	-
8.	Mrs. Plistina Dkhar	Independent Director	-	15,000	997
9.	Mr. Pramod Kumar Shah	Independent Director	-	1,35,000	-
10.	Mrs. Ibaridor Katherine War	Independent Director	-	15,000	-

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.
- 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. Mangilal Jain *	Non-Executive, Independent	Chairman	4
Mr. Pramod Kumar Shah **	Non-Executive, Independent	Chairman	-
Mr. Sajjan Bhajanka	Executive, Non-Independent	Member	4
Mr. Sanjay Agarwal	Executive, Non-Independent	Member	3

The Company Secretary acts as Secretary to the Committee.

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

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

### Meetings and Attendance

The Stakeholder Relationship Committee meetings were held on 24th April, 2019; 07th May, 2019; 17th July, 2019 and 24th December, 2019 during the Financial Year 2019-20.

### Status of Pending Complaints:

The Company has received 1 (one) Complaint during the Financial Year 2019-20 which was duly addressed. Hence, there were no complaints pending at the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (CSR) Committee as required under Section 135 of the Companies Act 2013. The Committee consists of three Directors out of which one director is an Independent Director.

The terms of reference of the Committee are as follows:

- i. To formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- ii. To recommend the amount of expenditure to be incurred on CSR activities

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	Nil
Mr. Sajjan Bhajanka	Executive, Non-Independent	Member	1
Mr. Mangilal Jain *	Non-Executive	Member	1
Mr. Santanu Ray **	Non-Executive	Member	-

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

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

### Meetings and Attendance:

The Corporate Social Responsibility Committee met once on 07th May, 2019 during the Financial Year 2019-20. All the Members of the Committee attended the meeting.

The CSR Policy of the Company is available on the Company's website at: <http://starcement.co.in/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf>

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

### FINANCE COMMITTEE

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

The terms of reference of the Committee are as follows:

- i. To approve the opening of and modification in operation of bank accounts, including closure thereof.
- ii. Borrow money by way of loan for the purpose of financing new projects, refinancing the existing debt, capital expenditure, general corporate purposes including working capital

requirements and possible strategic investments and take necessary actions connected therewith.

- iii. Provide corporate guarantee/performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity.
- iv. Opening, modification and closure of trading and demat accounts required for securities, derivatives and all other Options.
- v. Monitoring of loans and advances granted by the Company as approved by the Board of Directors from time to time.
- vi. Approve availing of online banking facilities in all forms including but not limited to viewing rights, transaction rights, application for Letters of Credit, Bank Guarantees, Buyers Credit and carry out all trade related transactions through internet.
- vii. Take decisions in connection with any arrangement, document or matter necessary, ancillary, incidental or desirable to give effect to all its powers and authority.
- viii. Any other financial issues or other matters, whether out of and incidental to these functions or not, as may be assigned by the Board.

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

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Sajjan Bhajanka	Executive, Non-Independent	Chairman	10
Mr. Sanjay Agarwal	Executive, Non-Independent	Member	9
Mr. Rajendra Chamaria	Executive, Non-Independent	Member	3

### Meetings and Attendance

The Finance Committee meetings were held on 07th May, 2019; 22nd May, 2019; 31st May, 2019; 31st July, 2019; 09th September, 2019; 14th October, 2019; 10th December, 2019; 20th January, 2020; 05th March, 2020 and 20th March, 2020 during the Financial Year 2019-20 and attendance of members are given herein above.

### RISK MANAGEMENT COMMITTEE

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

The terms of reference of the Committee are as follows:

- i. To assess the Company's risk profile and key areas of risk in particular.
- ii. To recommend the Board and adoption of risk assessment and rating procedures.
- iii. To articulate the Company's policy for the oversight and management of business risks.

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

During the Financial Year 2019-20, one meeting of the Committee was held on 20th March, 2020 and attendance of members are given below:

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

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

\* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

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

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

## GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings:

Financial Year	Venue	Date and time
2018-19	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	27th September, 2019 at 02:00 P.M.
2017-18	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	31st July, 2018 at 02:00 P.M.
2016-17	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	11th September, 2017 at 02:00 P.M.

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

AGM	Date	Matter
16th	11.09.2017	NIL
17th	31.07.2018	1. Re-appointment of Mr. Sajjan Bhajanka as Managing Director 2. Re-appointment of Mr. Sanjay Agarwal as Managing Director 3. Re-appointment of Mr. Rajendra Chamaria as Managing Director
18th	27.09.2019	1. Re-appointment of Mr. Pramod Kumar Shah as an Independent Director 2. Revision in remuneration of Mr. Rajendra Chamaria, Managing Director of the Company

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

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

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

## DISCLOSURES

- No materially significant related party transactions took place between the Company and its subsidiaries, its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at <http://starcement.co.in/wp-content/uploads/Related-Party-policy.pdf>

[co.in/wp-content/uploads/Related-Party-policy.pdf](http://starcement.co.in/wp-content/uploads/Related-Party-policy.pdf)

- There has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- There has been no instance where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required in the relevant financial year.
- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessments and procedures to minimize risk. The risk management policy is reviewed



periodically to ensure that the executive management controls the risk as per decided policy.

- The Company's policy on Vigil mechanism is placed on the Company's website at <http://starcement.co.in/wp-content/uploads/Whistle-Blower-Policy-4.pdf>. We hereby affirm that no personnel have been denied access to the audit committee.
- The Directors of the Company are not related inter-se.
- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review, the Company has not raised any money through public issue.
- During the year under review no instances of sexual harassment reported.
- The Company's policy on "material subsidiary" is placed on the Company's website at <http://starcement.co.in/wp-content/uploads/Policy-on-Material-subsiary-2.pdf>.
- A Certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such Statutory Authority forms part of this Annual Report.
- Total consolidated fees paid for all services rendered by the Statutory Auditors to the Company, its subsidiaries and all other network entities where Statutory Auditors is a part during the year under review amounting to ₹28.14 Lakhs.
- The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - a) Non-Executive Chairman's Office: The Company does not have Non – Executive chairperson.
  - b) Shareholders' Rights: As the quarterly, half yearly and annual results of the Company along with significant events, if any, are published in the newspapers and also posted on the Company's website, the same are not being sent individually to the shareholders.
  - c) Modified Opinion in Audit Report: The Company's financial statement for the year ended 31st March, 2020 does not contain any modified audit opinion.
  - d) Separate posts of Chairman and CEO: The positions of Chairman and Chief Executive Officer (CEO) are separate.
  - e) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.
- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub regulation (2) of regulation 46 of the LODR.

## CREDIT RATING

Your Company enjoys a sound reputation for its prudent financial

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

## CODE OF CONDUCT

In pursuance of the SEBI Regulations, the Board has approved the 'Code of Conduct for Board of Directors and Senior Management' and same has been circulated and posted on the Company's website [www.starcement.co.in](http://www.starcement.co.in). The Directors and Senior Management personnel have affirmed compliance with the provisions of above Code of Conduct. The declaration by the Chief Executive Officer to this effect is also attached to this Report.

## MEANS OF COMMUNICATION

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and Time	29th September, 2020 at 02.00 p.m.
Venue	Annual General Meeting be conducted through Video Conferencing/Other Audio Visual Means facility. [Deemed venue of Meeting at Registered Office at Village: Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210]
Dates of Book Closure	23rd September, 2020 to 29th September, 2020 (Both days inclusive)

**Financial Calendar (for the year 2020-21)**

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, 2020	Within 45 days from the end of quarter
Second Quarter ended 30th September, 2020	Within 45 days from the end of quarter
Third Quarter ended 31st December, 2020	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31st March, 2021	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

The Company has paid listing fees to NSE and BSE for the year 2020-21.

Annual Custody/Issuer fee for the year 2019-20 has been paid by the Company to NSDL and CDSL. Bills for the year 2020-21 has been received and paid by the Company to NSDL but bill from CDSL for the year 2020-21 is yet to be received.

**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 2019-20 are as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2019	110.10	97.00	1,45,570	110.00	97.00	21,07,891
May 2019	127.80	104.00	11,45,957	128.00	103.10	28,98,933
June 2019	137.60	115.10	2,80,239	140.00	115.15	50,45,677
July 2019	124.80	99.65	79,719	125.00	98.55	10,99,294
August 2019	113.00	90.55	52,152	110.70	90.30	11,28,255
September 2019	104.00	88.00	1,16,819	103.50	89.05	38,92,478
October 2019	98.65	88.00	1,14,483	98.25	87.00	16,22,243
November 2019	105.50	91.45	11,63,223	104.95	91.80	16,04,446
December 2019	95.50	84.00	2,48,853	93.50	84.50	73,74,622
January 2020	98.65	82.50	1,33,453	98.25	82.25	52,47,675
February 2020	97.20	83.20	2,08,879	97.45	83.00	28,06,935
March 2020	89.00	56.00	1,62,043	88.95	60.00	21,09,935

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 2019	39,031.55	0.93	104.40	5.72
May 2019	39,714.20	1.75	120.95	15.85
June 2019	39,394.64	(0.80)	122.35	1.16
July 2019	37,481.12	(4.86)	101.85	(16.76)
August 2019	37,332.79	(0.40)	96.00	(5.74)
September 2019	38,667.33	3.57	93.95	(2.14)
October 2019	40,129.05	3.78	96.00	2.18

Month	BSE Sensex		Company's Share	
	Closing	% Change	Closing	% Change
November 2019	40,793.81	1.66	92.25	(3.91)
December 2019	41,253.74	1.13	88.95	(3.58)
January 2020	40,723.49	(1.29)	83.25	(6.41)
February 2020	38,297.29	(5.96)	86.40	3.78
March 2020	29,468.49	(23.05)	68.30	(20.95)

#### 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

#### 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.

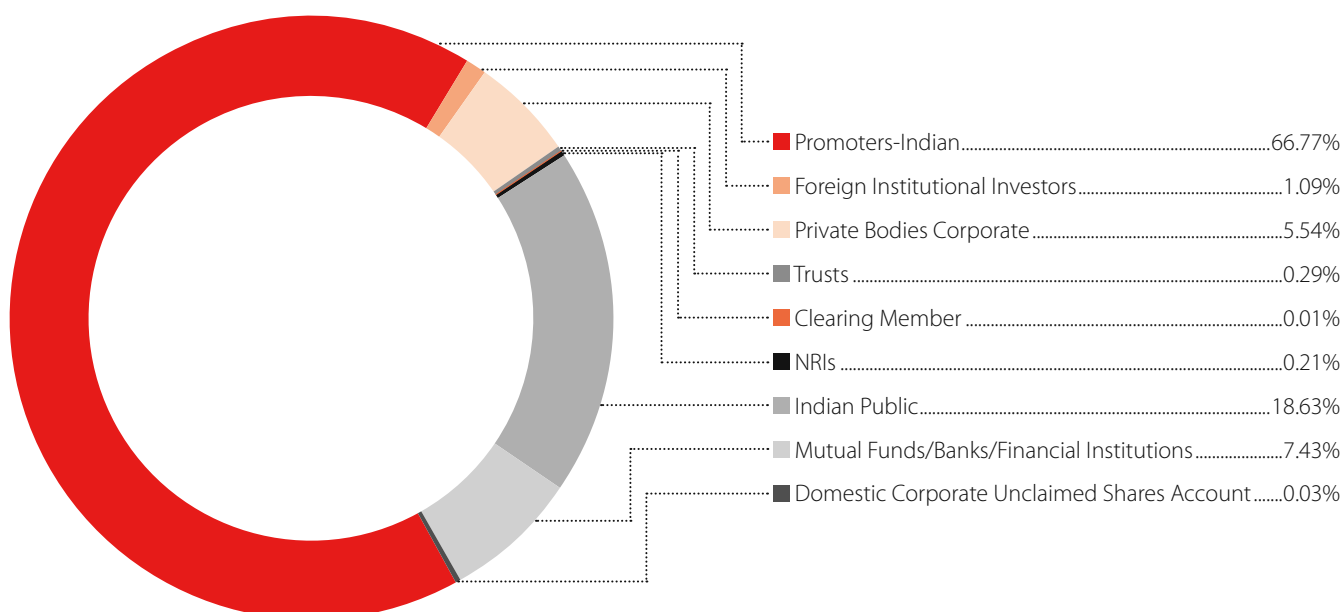
Transfer of Shares in dematerialized form is duly processed by NSDL/CDSL in electronic form through the respective Depository participants. Dematerialisation is required to be done with a period of 15 days from the date of lodgment of dematerialisation request, complete in all respect, with the Depository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

#### Distribution of Shareholding of Ordinary Shares as on 31st March, 2020

Shareholding	Total No. of Shareholders	%	No. of Shares	%
1- 500	16,290	83.65	15,37,703	0.37
501-1000	1,178	6.05	9,12,494	0.22
1001-5000	1,376	7.06	32,03,953	0.78
5001-10000	275	1.41	20,90,814	0.51
10001- 20000	128	0.66	18,87,847	0.46
20001 and above	227	1.17	40,27,96,186	97.66
<b>Total</b>	<b>19,474</b>	<b>100</b>	<b>41,24,28,997</b>	<b>100</b>

#### Shareholding Pattern as on 31st March, 2020

Shareholding Pattern (%)



Category	Number of Shareholders*	Number of Shares	% of total Share Capital
Promoter and Promoter Group	44	27,53,97,131	66.77
Foreign Institutional Investors	17	45,11,066	1.09
Bodies Corporate	263	2,28,56,230	5.54
Trusts	1	12,07,532	0.29
Clearing Member	36	28,701	0.01
NRIs/ Foreign Nationals	491	8,46,981	0.21
Individual	18148	7,68,03,697	18.63
Mutual Funds/Banks/Financial Institutions/ NBFCs registered with RBI	8	3,06,45,232	7.43
Domestic Corporate Unclaimed Shares Account	1	1,32,427	0.03
<b>TOTAL</b>	<b>19,009</b>	<b>41,24,28,997</b>	<b>100.00</b>

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

During the year the Company has bought back 68,00,000 Equity Shares of Re.1/- each.

#### Dematerialisation of shares and liquidity

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

41,15,74,697 Ordinary Shares of the Company representing 99.79% of the Company's share capital are dematerialised as on 31st March, 2020.

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

#### RECONCILIATION OF SHARE CAPITAL AUDIT:

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

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

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

Particulars	No. of shareholders	No. of shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01.04.2019	60	1,32,427
Aggregate number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account	NIL	NIL
Number of shareholders to whom shares were transferred from Suspense Account during the year	NIL	NIL
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31.03.2020	60	1,32,427

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

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

Dividend drafts in respect of the Interim Dividend for the FY 2013-14, Interim Dividend for the FY 2015-16, Final Dividend declared for the FY2017-18 and Interim Dividend declared for the FY 2019-20 have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the same may please write to the Company or its RTA for further information on this behalf. Shareholders who have not encashed the drafts are requested to do so by getting them revalidated from the Company or its RTA.

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

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

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

The Company also does not hedge foreign exchange risks.

#### Plant Locations:

##### Lumshnong Plant

Vill: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

##### Sonapur Plant

Gopinath Bordoloi Road, VIII: Chamta Pathar, P.O. Sonapur, Kamrup Assam, Pin: 782402

#### 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 22435029  
Fax: 033 24015556  
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: 25th June, 2020

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

## Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of the Corporate Governance by Star Cement Limited for the year ended on 31st March, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

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

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

For D.K. CHHAJER & CO.

Firm Registration No. 304138E  
*Chartered Accountants*

CA Niraj Kumar Jhunjunwala  
*Partner*

Membership No. 057170  
UDIN: 20057170AAAADI1673

Place: Kolkata  
Date: 25th June, 2020

## 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, 2020.

Place: Kolkata  
Date: 25th June, 2020

Sanjay Kumar Gupta  
*Chief Executive Officer*

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,  
The Board of Directors  
Star Cement Limited

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer 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, 2020 and based on our knowledge and belief, we state that:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, if any, in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 25th June, 2020

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

**Manoj Agarwal**  
*Chief Financial Officer*

## CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF STAR CEMENT LIMITED HAVE BEEN DEBARRED OR DISQUALIFIED

To  
The Members,  
**STAR CEMENT LIMITED**

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s STAR CEMENT LIMITED, having its Registered office at Vill.: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210, the information provided by the Company, its officers, agents and authorized representatives and based on the verification of the Ministry of Corporate Affairs website, we hereby report that during the Financial Year ended on March 31, 2020, in our opinion, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such Statutory authority.

For **MKB & Associates**  
*Company Secretaries*

**Raj Kumar Banthia**  
*[Partner]*

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

UDIN: A017190B000380197

Date: 25.06.2020

Place: Kolkata



# Dividend policy

## I. PREAMBLE

The shares of Star Cement Limited ('the Company') are listed on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 16th June, 2017. Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year.

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

## II. EFFECTIVE DATE

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

## III. OBJECTIVE

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

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

## IV. TYPES OF DIVIDEND AND PROCEDURE FOR APPROVAL

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

### (a) Final Dividend

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

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

Board shall recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy based on the profits arrived at as per the audited financial statements

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

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

### (b) Interim dividend

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

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

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

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

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

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

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

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

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

Preference Shareholders shall be entitled and paid dividend at the fixed rate as per the terms of issue. In case of the Cumulative Preference Shares, if the Company is not having distributable profits for any certain financial year or the Company is not able to

pay the dividend, then this shall be accumulated and be paid later on. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

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

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

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

### Internal Factors:

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

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

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

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

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

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

#### (d) Acquisitions of new business

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

#### (e) Cost of borrowings

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

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

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

#### (g) Post dividend EPS

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

### External Factors:

There are external factors those are determinants for the amount of dividend proposed to be declared. In such conditions, the Board

shall exercise its discretion after due consideration of following factors:

#### (a) Economic conditions

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

#### (b) Capital Markets

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

#### (c) Taxation and Statutory Restrictions

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

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

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

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

## VIII. POLICY ABOUT UTILIZATION OF RETAINED EARNINGS

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

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

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

## X. REVIEW AND AMENDMENT

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

# Business Responsibility Report for the year 2019-20

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L26942ML2001PLC006663		
2	Name of the Company	Star Cement Limited (SCL)		
3	Registered office address	Vill: Lumshnong, P.O. Khaliehriat, Dist. East Jaintia Hills, Meghalaya-793 210		
4	Web site	www.starcement.co.in		
5	Email ID	investors@starcement.co.in		
6	Financial year reported	2019-20		
7	Sector(s) that the Company is engaged in (Industrial activity code wise)	<b>Sl. No.</b>	<b>Product</b>	<b>NIC code</b>
1		Cement	23941	
2		Cement clinker	23941	
8	Three key products/ services that the Company manufactures/ provides	Cement Cement Clinker		
9	Total number of locations where business activity is undertaken by the Company:			
	(a) Number of International locations	The Company has a subsidiary in Myanmar which is yet to start operation.		
	(b) Number of National locations	The Company's registered office is situated in Meghalaya and Corporate Office at Kolkata. It has manufacturing unit at Lumshnong, Meghalaya and Sonapur, Assam. Company's Plant at Siliguri, West Bengal will be operational during the year. It has Sales and Marketing office at Guwahati, Patna, Siliguri and Project Office at New Delhi.		
10	Markets served by the Company Local / State / National /International	Star Cement Limited operates in Eastern part of the country and mainly concentrate its business in North Eastern and Eastern Region of India.		

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (as on 31.03.2020)	₹41,24,28,997/-
2	Total Turnover (FY 2019-20)	₹1,80,133.56 Lakhs
3	Total profit after tax (FY 2019-20)	₹21,870.69 Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Against the requirement of ₹396.07 Lakhs, the Company spent ₹406.07 Lakhs towards CSR during 2019-20 which is 1.59% of profit after tax.
5	List of CSR activities in which expenditure has been incurred	The major areas as listed under Schedule-VII of the Companies Act, 2013 where CSR expenditures have been incurred:  Education Health care and sanitation Disaster relief Rural development Enhancing vocational skills & livelihood Rural sports upliftment

## SECTION C: OTHER DETAILS OF THE COMPANY

1	Subsidiary Company/Companies	As at 31st March, 2020, SCL has 5 (five) subsidiaries including 1 (one) foreign subsidiary.
2	Participation of Subsidiary Company/ Companies in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies do not participate in the BR initiatives of the parent company. However, wherever applicable, subsidiaries follow CSR activities as per own policy.
3	Participation and percentage of participation of the entity/entities (e.g., suppliers and distributors among others) that the Company does business with, in the BR initiatives of the Company.	The other entities with whom the Company does business e.g., suppliers, distributors etc., don't participate in the BR initiatives of the Company.

## SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1	Details of Directors/Directors responsible for BR  (a) Details of the Director/Directors responsible for implementation of the BR Policy/policies  (b) Details of the BR Head	<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
		1	DIN	00246043
		2	Name	Mr. Sajjan Bhajanka
		3	Designation	Chairman & Managing Director
		4	Tel No.	033-24015556
		5	E-mail ID	investors@starcement.co.in
2	Principle wise (as per NVGs) BR Policy/policies	The National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:		
		Principle 1	Ethics, Transparency & Accountability	
		Principle 2	Sustainability of products & services across life cycle	
		Principle 3	Employee's well being	
		Principle 4	Stake holder's engagement	
		Principle 5	Human Rights	
		Principle 6	Environment	
		Principle 7	Responsible Policy Advocacy	
		Principle 8	Inclusive Growth & Equitable Development	
		Principle 9	Customer value	

## DETAILS OF COMPLIANCE

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been framed based on 'National Voluntary Guidelines' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/owner/CEO/appropriate Board of Directors?	The policies have been approved by the Board of Directors and signed by the Managing Director & CEO.								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Chairman & Managing Director and the Chief Executive Officer through the Functional Heads oversee the implementation of the policies across the organisation.								
6	Indicate the link for the policy to be viewed online	<a href="https://starcement.co.in/wp-content/uploads/Business-Responsibility-Policy.pdf">https://starcement.co.in/wp-content/uploads/Business-Responsibility-Policy.pdf</a>								

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been informed to internal and external stakeholders and the same is also available on the Company's website www.starcement.co.in								
8	Does the Company has in house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholder's grievance related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by and internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		BR Policy is evaluated internally.								

3	Governance related to Business Responsibility	
	Frequency with which the Board of Directors, Committee of the Board or CEO meet to access the Company's BR performance	The overall BR performance of the Company is reviewed by the BR Head annually and varied aspects of BR performance of each department/unit are assessed by the respective department/unit heads.
	Publishing of Business Responsibility or a Sustainability Report, its frequency and hyperlink	BR report is forming a part of the Annual Report. The report is also available on the Company's website at: www.starcement.co.in

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 - ETHICS, TRANSPERANCY AND ACCOUNTABILITY

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

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

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

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

Stakeholders Complaints	Received	Resolved	Complaints Resolved in %
Investors complaints	1	1	100%
Consumers complaints	49	49	100%
Vendors complaints	NIL	NA	NA

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

1	Three products/ services whose design has incorporated social or environmental concerns, risks and/or opportunities	(a) Cement (b) Clinker
2	Details in respect of resource use (energy, water and raw materials etc.,)	
	(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain	Company emphasises on research and development of new technology so that usage of natural resources are minimal. It motivates and works closely with suppliers and vendors of supply chain to reduce any hazardous environmental impacts.
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year	Initiatives undertaken by the Company for optimal utilisation of energy, water as follows:

		<ul style="list-style-type: none"> <li>Heat resistant paint used in Kiln Hood and TAD to save radiation loss, so that saving of 2 to 2.5 Kcal/Kg clinker energy.</li> <li>Consumption percent of Fly Ash in PPC Cement increased from 25.2 to 29.1%.</li> <li>65 Nos. of 400W HPSV Flood Light fitting replaced with 200W LED light fittings resultant saving of 0.56 Lakhs Kwh Per year.</li> <li>50 Nos. of 250W HPSV street Light fitting replaced with 90W LED light fittings resultant saving of 0.35 Lakhs Kwh Per year.</li> <li>100 Nos. of 400W HPSV flood Light fitting replaced with 100W LED street light fittings resultant saving of 1.3 Lakhs Kwh Per year.</li> </ul>
3	Procedures in place for sustainable sourcing (including transportation) and percentage of input sourced sustainably.	The Company focus on long term strong relationship with its suppliers. Social, ethical and environmental factors are considered while selecting the suppliers. It focuses on integrating sustainability in the procurement process. Effective system has been embedded to purchase the raw materials and act according to production and sales forecasts to ensure optimum raw materials procurement. Higher capacity of containers are used for transportation to save fuel.
4	Steps taken to procure goods and services from local and small producers including communities surrounding the place of work.	To maintain sustainability in procurement process emphasises given to procure the materials from local areas surrounding the factory and preference given to local and MSME suppliers.
5	Mechanism and percentage of recycling of products and wastes.	<p>We are using 29-31% fly ash (a bye product) in PPC cement, through hopper feed belt.</p> <p>100% lub waste are using in preheater (calciner vessel) and others waste are using is kiln.</p> <p>Waste water generated is used in dust suppression, gardening etc. Rain water is preserved and used for domestic purposes.</p>

### PRINCIPLE 3 – EMPLOYEES WELL-BEING

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

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

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

Information as per BRR framework:

1	Total number of permanent employees	696
2	Total number of employees hired on temporary/ contractual/ casual basis	1060
3	Number of permanent women employees	38
4	Number of permanent employees with disabilities	NIL
5	Employees association recognised by the management	SCL respects rights of every employees and values their opinion/suggestion at all levels. Employees enjoy freedom to raise their concerns wherever requires and due attention is always given by the management. For the reason employees not shown their interest to form any Association.
6	Percentage of permanent employees who are members of recognised employee association	NIL

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

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

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

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

Permanent employees	100%
Permanent women employees	100%
Casual/Temporary/Contractual employees	21.72%
Employees with disabilities	NA

**PRINCIPLE 4 – STAKEHOLDERS ENGAGEMENT**

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

Information as per Business Responsibility framework:

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

**PRINCIPLE 5 – HUMAN RIGHTS**

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

Information with reference to BRR framework:

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

**PRINCIPLE 6 – ENVIRONMENT**

1	Coverage of the policy related to principle 6 and its extension to the Group/ Joint Ventures/ Suppliers/ Contractors / NGOs/ Others	The policy is applicable to the Company. We aim to apply the principle across the value chain.
2	Company's strategies/ initiatives to address global environmental issues such as climate change global warning etc.	<ul style="list-style-type: none"> <li>• Company has installed all associated pollution control equipments (ESP, RABH, Bag filters) as per prescribed for the operating unit.</li> <li>• Company has installed online dust and gaseous monitoring equipments in associated stacks. Emission levels are within the limit and online equipments are connected with SPCB/CPCB server.</li> <li>• The dust collected from the various pollution control equipments, are being recycled back into the process.</li> <li>• Closed roof sheds provided for all Raw materials.</li> <li>• All roads were concretized with provision of auto sprinkler system to control fugitive emission.</li> <li>• SCL are developing green belt area with all local species and ever green sapling.</li> <li>• Plastic packets/ bags are restricted within the Registered office.</li> </ul>
3	Identification and assessment of potential risk assessment	Identification and assessment of potential risk is a continuous process. Sound monitoring system is in place to identify any potential risks involved in the operations. Any potential risks are addressed at the initial stages. Continuous monitoring and inspection is done on regular basis and necessary corrective actions are taken to mitigate the same.
4	Company's initiative/projects related to clean development mechanism and environmental compliance report filed	<ul style="list-style-type: none"> <li>• SCL have installed all associated pollution control equipments (ESP, RABH, Bag filters) as per prescribed for the operating unit.</li> <li>• Two road sweeping machines are available to clean the floors and roads around the plant.</li> <li>• Auto sprinkler systems have been provided on road, crusher hopper, coal shed and others vulnerable areas.</li> <li>• All environmental compliance reports are submitting to authority as per prescribed time frame.</li> </ul>
5	Company's initiatives on clean technology, energy efficiency, renewable energy etc.	Company is recycling solid waste, used Lubricants, empty fly ash bags, Jute waste etc. to promote clean technology.
6	Reporting on the emissions/waste generated by the Company as per permissible limits given by CPCB/SPCB	The environmental monitoring reports are regularly submitted to CPCB/SPCB. The Company has been successfully meeting the applicable environmental standards by using efficient control equipment and constant monitoring.
7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year.	There are no pending or unresolved show cause/ legal notice from CPCB/SPCB as on 31st March, 2020.



**PRINCIPLE 7 – RESPONSIBLE POLICY ADVOCACY**

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

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

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

**PRINCIPLE 9- CUSTOMER VALUE**

1	Percentage of customer complaints/ consumer cases are pending as on the end of financial year	Nil.
2	Display of product information on the product label, over and above what is mandated as per laws.	The Company follows all legal requirements for product labelling and product information. The Company display product information on the product label.
3	Case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last 5 years and pending as on end of financial year.	The Company (SCL) had received a notice from the Director General of Competition Commission of India (CCI) seeking various information on alleged cartalization. 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. Cases are sub-judice.
4	Consumer survey/ consumer satisfaction trends carried out by the Company.	The Company believes that consumer satisfaction is key to the success of business. Therefore, the Company connects with consumers through dealers network to understand quality feedback and also through market inspection and survey by own employees. The Company follow systematic process for resolution of all complaints received at its earliest possible time.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

Chairman

(DIN: 00246043)

Place: Kolkata

Date: 25th June, 2020

# Standalone Financial Statements

# Independent Auditors' Report

To  
The Members of  
Star Cement Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Star Cement Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the profit and other comprehensive income, changes in equity and its cash flows for the year ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone

Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 opinion.

### Emphasis of Matter

We draw your attention to Note no. 46 to the Standalone Financial Statements which explain the uncertainties and the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances / developments as they evolve in the subsequent periods.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>(Refer Note no. 28 to the Standalone Financial Statements, and Note 1.20 (A) of the significant accounting policies of the Standalone Financial Statements).</p> <p>Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer.</p> <p>The Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before completion of the performance obligation.</p> <p>Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.</p> <p>Due to the Company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgemental.</p> <p>There is a significant risk of misstatement due to risk related to inappropriate recognition of the revenue and hence this was determined to be a key audit matter.</p>	<p><b>Our audit procedures to assess the appropriateness of revenue recognized included:</b></p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process.</li> <li>• Assessing the appropriateness of the Company's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards</li> <li>• Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately.</li> <li>• Examination of significant contracts entered into close to year end to ensure revenue recognition is made in the correct period.</li> </ul> <p>Our testing as described above showed that revenue has been recorded in accordance with the terms of applicable contracts and accounting policy in this area.</p>
2	<p><b>Related Party Transactions</b></p> <p>Refer Note no. 44 to the Standalone Financial Statements.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Standalone Financial Statements as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of transactions with related parties during the year ended 31st March, 2020.</li> <li>• the fact that Related party transactions are subject to the compliance requirement under the Companies Act, 2013 and SEBI (LODR), 2015.</li> </ul>	<p><b>Our audit procedures in relation to the evaluation and disclosure of related party transactions included:</b></p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Standalone Financial Statements.</li> <li>• Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. We have also reviewed the Transfer Pricing Report of the Company in this regard.</li> <li>• Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR), 2015.</li> <li>• Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul> <p>Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.</p>

## Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

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 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 is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### Other Matter

Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including travel restrictions, maintenance of social distancing etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the management on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) Without prejudice to the issues described under "Other matter" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts;
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note no.43 to the Standalone Financial Statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2020.

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

**Niraj K. Jhunjunwala**  
Partner  
Membership No.:057170  
UDIN: 20057170AAAADJ4541

Place: Kolkata  
Date: 25th June, 2020

## Annexure A to the Independent Auditor's Report

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, 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 all the immovable properties are held in the name of the Company.
- ii. The inventory, except goods in transit and materials lying with third parties, has been physically verified during the year by the Management. However, the in transit materials were duly received at the respective destination after the balance sheet date. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)[(a), (b) and (c)] of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of loans and investments made by the Company, the provisions of section 186 of the Act have been complied with.
- v. The Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provision of clause 3(v) of the order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain Cost Records as specified under Sec 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) The Company is generally regular in depositing the undisputed statutory dues, including provident fund, Employees' State Insurance, Income tax, Goods and Service tax, Customs Duty, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2020 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, the details of disputed amount of Excise Duty, Cess and Royalty, VAT/ GST/MEPRF on Coal not deposited by the Company are given below:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	51.42	2009-10 to 2013-14	CESTAT
The Central Excise Act, 1944	Excise Duty	9.50	Jan-'05 to Sep-'05	CESTAT
The Central Excise Act, 1944	Excise Duty	8.99	Oct-'05 to Jul-'06	CESTAT
The Central Excise Act, 1944	Excise Duty	1.48	Jan-'05 to Oct-'06	CESTAT
The Central Excise Act, 1944	Excise Duty	566.05	Dec-'04 to Jan'13	Meghalaya High Court
MMDR, GST & VAT Act	Royalty, MEPRF, GST/VAT	4184.06	2014-15 to 2018-19	Director of Mineral Resources, Meghalaya

- viii. The Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loan from financial institutions or Government and has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the

provisions of section 197 read with Schedule V to the Act.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.
- xiv. During the year the Company has not made any preferential allotment/private placements of shares/fully/partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information & explanation given to us and the records of the Company examined by us, the Company has

not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) is not applicable to the Company.

For **D.K.Chhajer & Co.**

Chartered Accountants

Firm Registration No.: 304138E

**Niraj K. Jhunjhunwala**

Partner

Membership No.:057170

UDIN: 20057170AAAADJ4541

Place: Kolkata

Date: 25th June, 2020



## Annexure B to the Independent Auditor's Report

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

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Star Cement Limited ("the Company") as at 31st March 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 authorisations 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 over Financial Reporting

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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, read with impact of COVID- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **D.K.Chhajer & Co.**

Chartered Accountants

Firm Registration No.: 304138E

**Niraj K. Jhunjunwala**

Partner

Membership No.:057170

UDIN: 20057170AAAADJ4541

Place: Kolkata

Date: 25th June, 2020

## Standalone Balance Sheet as at 31 March, 2020

(₹ in Lakhs)

Particulars	Notes	31-Mar-20	31-Mar-19
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	27,117.61	25,608.29
(b) Capital work-in-progress		22,308.49	6,051.60
(c) Right-of-use assets		284.62	-
(d) Intangible assets	3.1	21.58	18.39
(e) Investment in subsidiaries	4	23,744.65	23,744.65
(f) Financial assets			
(i) Investments	5	135.81	150.38
(ii) Loans	6	434.71	178.31
(g) Deferred tax assets (net)	7	17,351.44	16,296.26
(h) Non current tax assets (net)	8	79.08	62.94
(i) Other non-current assets	9	4,351.81	5,187.69
<b>Total non-current assets</b>		<b>95,829.80</b>	<b>77,298.51</b>
<b>Current assets</b>			
(a) Inventories	10	8,425.82	8,004.79
(b) Financial assets			
(i) Trade receivables	11	10,693.35	12,794.09
(ii) Cash and cash equivalents	12	23,623.96	7,777.14
(iii) Other Bank balances (other than (ii) above)	13	2,597.35	11,639.97
(iv) Loans	14	1,508.77	1,439.72
(v) Other financial assets	15	40.05	40.05
(c) Other current assets	16	19,152.30	35,522.44
<b>Total current assets</b>		<b>66,041.60</b>	<b>77,218.20</b>
<b>Total assets</b>		<b>161,871.40</b>	<b>154,516.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	4,124.29	4,192.29
(b) Other equity	18	107,681.47	100,936.43
<b>Total equity</b>		<b>111,805.76</b>	<b>105,128.72</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	14,285.52	15,141.35
(ii) Other financial liabilities (Incl. Lease Liabilities)	20	10,914.36	9,693.88
(b) Employee benefit obligations	21	241.50	137.17
(c) Other non current liabilities	22	57.05	-
<b>Total non-current liabilities</b>		<b>25,498.43</b>	<b>24,972.40</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	513.49	522.65
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		399.13	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,112.46	9,450.30
(iii) Other financial liabilities (Incl. Lease Liabilities)	24	10,235.96	8,205.92
(b) Employee benefit obligation	25	318.08	271.16
(c) Other current liabilities	26	3,988.09	5,176.23
(d) Current tax liabilities (net)	27	-	789.33
<b>Total current liabilities</b>		<b>24,567.21</b>	<b>24,415.59</b>
<b>Total liabilities</b>		<b>50,065.64</b>	<b>49,387.99</b>
<b>Total equity and liabilities</b>		<b>161,871.40</b>	<b>154,516.71</b>
Significant accounting policies	1 & 2		

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

As per our report of even date.

For and on behalf of Board of Directors

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

Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Debabrata Thakurta  
Company Secretary

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date : 25 June,2020

## Standalone Statement of Profit and Loss for the year ended 31 March, 2020

(₹ in Lakhs)

Particulars	Notes	31-Mar-20	31-Mar-19
<b>INCOME</b>			
Revenue from operations	28	177,326.68	169,537.76
Other income	29	2,806.89	3,951.16
<b>Total income</b>		<b>180,133.57</b>	<b>173,488.92</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	62,541.51	58,367.37
Purchase of traded goods		11,009.28	10,097.50
(Increase)/decrease in inventories	31	(654.42)	1,119.64
Employee benefit expenses	32	8,209.90	7,272.00
Finance costs	33	1,955.94	2,087.86
Depreciation and amortisation expenses	34	4,331.89	4,648.77
Other expenses	35	67,639.47	61,859.01
<b>Total expenses</b>		<b>155,033.57</b>	<b>145,452.15</b>
<b>Profit before tax</b>		<b>25,100.00</b>	<b>28,036.77</b>
<b>Tax expenses</b>			
- Current tax	36	4,309.68	5,187.75
- Income tax for earlier years		(36.79)	-
- Deferred tax		(1,043.58)	(2,740.11)
<b>Total tax expenses</b>		<b>3,229.31</b>	<b>2,447.63</b>
<b>Profit for the year</b>		<b>21,870.69</b>	<b>25,589.14</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations	38	(33.20)	2.96
Deferred tax on above		11.60	(1.04)
<b>Other comprehensive income for the year (net of tax)</b>		<b>(21.60)</b>	<b>1.93</b>
<b>Total comprehensive income for the year</b>		<b>21,849.09</b>	<b>25,591.07</b>
<b>Earnings per equity share (face value of ₹ 1 each)</b>			
Basic earning per share (in ₹)	37	5.25	6.10
Diluted earning per share (in ₹)		5.25	6.10
Significant accounting policies	1 & 2		

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

As per our report of even date.

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

Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Place : Kolkata  
Date : 25 June, 2020

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

For and on behalf of Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

## Standalone Statement of Changes in Equity for the year ended 31 March, 2020

### A. Equity share capital

(₹ in Lakhs)

Particulars	Amount
As at 1 April, 2018	4,192.29
Changes in equity share capital	-
<b>As at 31 March, 2019</b>	<b>4,192.29</b>
Changes in equity share capital	(68.00)
<b>As at 31 March, 2020</b>	<b>4,124.29</b>

### B. Other equity

(₹ in Lakhs)

Particulars	Reserve and surplus				Total other equity
	Capital Redemption Reserve Account	Capital reserve	General reserve	Retained Earnings	
Balance as at 1 April, 2018	-	643.53	3,187.83	75,817.28	79,648.64
Profit for the year (a)	-	-	-	25,589.14	25,589.14
Payment of Final Dividend for the year 2017-18 (b)	-	-	-	(4,192.29)	(4,192.29)
Tax on Final Dividend for the year 2017-18 (c)	-	-	-	(110.99)	(110.99)
Other comprehensive income /(loss) (net of tax) (d)	-	-	-	1.93	1.93
<b>Total comprehensive income for the year (a + b+c +d )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,287.79</b>	<b>21,287.79</b>
<b>Balance as at 31 March, 2019</b>	<b>-</b>	<b>643.53</b>	<b>3,187.83</b>	<b>97,105.07</b>	<b>100,936.43</b>
Addition during the year	68.00	-	-	-	68.00
Profit for the year (a)	-	-	-	21,870.69	21,870.69
Payment of Interim Dividend for the year 2019-20 (b)	-	-	-	(4,124.29)	(4,124.29)
Tax on Interim Dividend for the year 2019-20 (c)	-	-	-	(847.76)	(847.76)
Buyback of Shares for the year 2019-2020 (d)	-	-	-	(10,200.00)	(10,200.00)
Other comprehensive income /(loss) (net of tax) (e)	-	-	-	(21.60)	(21.60)
<b>Total comprehensive income for the year (a + b + c + d+ e )</b>	<b>68.00</b>	<b>-</b>	<b>-</b>	<b>6,677.04</b>	<b>6,745.04</b>
<b>Balance as at 31 March, 2020</b>	<b>68.00</b>	<b>643.53</b>	<b>3,187.83</b>	<b>103,782.11</b>	<b>107,681.47</b>

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

As per our report of even date.

For and on behalf of Board of Directors

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

Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date : 25 June,2020

## Standalone Cash Flow Statement for the year ended 31 March, 2020

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>A Cash flow from operating activities</b>		
Net Profit/ (Loss) before Tax	25,100.00	28,036.77
<b>Adjustments for :</b>		
Depreciation and amortisation	4,189.88	4,648.77
Amortisation of right-of-use- assets	142.01	-
(Profit)/ Loss on Sale of Property ,Plant and Equipment	(0.70)	(11.39)
Interest and Dividend Income (refer note 29)	(2,796.81)	(3,903.86)
Finance Costs (refer note 33)	1,955.94	2,087.86
Fair Valuation (gain)/ Loss on investments	14.57	(11.08)
Allowance for doubtful trade receivables	(0.81)	0.29
<b>Operating Profit before working Capital changes</b>	<b>28,604.08</b>	<b>30,847.36</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade receivables	2,101.55	(84.13)
(Increase)/Decrease in Inventories	(421.03)	4,221.80
(Increase )/Decrease in Loans	(252.39)	12.50
(Increase )/Decrease in Other assets	18,028.56	33,170.66
Increase /(Decrease ) in trade and other payables	61.29	(6,392.67)
Increase /(Decrease ) in Other Liabilities and Provisions	1,275.26	(7,026.23)
<b>Cash Generated from Operations</b>	<b>49,397.32</b>	<b>54,749.29</b>
Income Tax Paid	(4,100.00)	(4,575.00)
<b>Net Cash flow from Operating Activities</b>	<b>45,297.32</b>	<b>50,174.29</b>
<b>B Cash flow from Investing Activities</b>		
(Purchase)/sale of Property ,Plant and Equipment ( including CWIP)	(22,100.60)	(6,306.29)
Investments in Fixed Deposits/Margin Money (Net)	9,042.62	(11,525.09)
Interest Received	1,600.46	3,774.77
<b>Net Cash used in Investing Activities</b>	<b>(11,457.52)</b>	<b>(14,056.61)</b>
<b>C Cash Flow from Financing Activities</b>		
Buy back of Equity Shares	(10,200.00)	-
Payment of Dividend ( including Dividend Distribution Tax)	(4,972.05)	(4,303.26)
Interest paid	(1,930.07)	(2,087.86)
Proceeds from /(Repayment of) Long Term Borrowings / Liabilities	(855.82)	(13,002.03)
Proceeds from /(Repayment of) Short Term Borrowings	(9.16)	(9,589.03)
Payment of Lease liability	(25.88)	-
<b>Net Cash used in Financing Activities</b>	<b>(17,992.98)</b>	<b>(28,982.18)</b>
<b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>15,846.82</b>	<b>7,135.50</b>
<b>Cash and Cash Equivalents-</b>		
<b>Opening Balance</b>	<b>7,777.14</b>	<b>641.64</b>
<b>Closing Balance</b>	<b>23,623.96</b>	<b>7,777.14</b>

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

As per our report of even date.

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

Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Place : Kolkata  
Date : 25 June,2020

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

For and on behalf of Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

## Notes to Standalone financial statements for the year ended 31 March, 2020

### Corporate Information

Star Cement Limited (formerly Cement Manufacturing Company 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 and Guwahati, Assam. The Company is selling its product across north eastern and eastern states of India.

### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

##### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

##### (iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

#### 1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which requires 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.

#### 1.3 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Star Cement Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchanges 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.

The Company has adopted the provisions of para D13AA of Ind AS 101, "First- Time Adoption of Indian Accounting Standards" for recognizing exchange differences for long-term foreign currency monetary items as on the date of Ind AS adoption, as per the provision of para 46A of AS-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable Property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 1.4 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, 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. Railway sidings the ownership of which vests with the Railway authorities are depreciated over five years.

#### Capital Work In Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

#### 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.

#### Depreciation

Depreciation on Property, plant and equipment is provided on Written Down Value (WDV) method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Office building is owned by the Company and is amortized using straight line method over the period of lease of land on which it is constructed. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be 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.

### 1.5 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. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure is written off over a period of three years.

### 1.6 Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

### 1.7 Lease

#### As a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for 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 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

## Notes to Standalone financial statements for the year ended 31 March, 2020

guarantees.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

### 1.8 Government Grants and Subsidies

Government grants and subsidies are 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

### 1.9 Inventories

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity.

Cost of inventories (excluding finished good and WIP) is computed on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 1.10 Business combinations

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

### 1.11 Investment in Subsidiaries

The Company's investments in its subsidiaries are carried at cost.

### 1.12 Investments and other financial assets

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value



## Notes to Standalone financial statements for the year ended 31 March, 2020

through profit or loss are expensed in profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### Equity instruments

The Company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

### Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset.

### 1.13 Trade receivables

Trade receivables are recognised initially at transaction price. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be presented as an expense. Subsequently, the trade receivables are measured at cost less expected credit losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. The Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The loss allowance is measured at an amount equal to lifetime expected credit losses.

### 1.14 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

### 1.15 Financial liabilities

#### Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### 1.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### 1.17 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is 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.

### 1.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 1.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 1.20 (A) Revenue Recognition

Revenue from sale of goods is recognised when control of the products has been transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence/ loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/(loss).

Unfulfilled performance obligations

## Notes to Standalone financial statements for the year ended 31 March, 2020

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/disbursed till the end of a reporting period these are recorded.

A contract liability is not recognised until the benefit is provided.

### (B) Other Income

Interest income is recognised using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

### 1.21 Employee Benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

#### (iii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

#### (iv) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

### 1.22 Tax Expenses

Tax expense comprises current tax and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is computed on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax is also 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.

## Notes to Standalone financial statements for the year ended 31 March, 2020

Current and deferred taxes are recognised in profit and loss, except to the extent that it relates 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 recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

### 1.23 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.24 Provisions and Contingencies

A Provision is 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.

### 1.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 1.26 Dividends

Dividends paid (including dividend distribution tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

## 2 Transition disclosure notes

### (a) Adoption of a new accounting standard on Leases Ind AS 116

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. Accordingly, the comparatives have not been retrospectively adjusted.

On transition, the adoption of this standard resulted in recognition of Right of Use Asset of ₹432.88 Lakhs and lease liability of ₹432.88 Lakhs as at April 1, 2019. At the year end the cumulative impact of applying this standard resulted in decrease in profit of ₹10.25 Lakhs, the result of which did not have any material impact on the profit before tax, profit for the year and earning per share for the year ended 31 March, 2020.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash inflows from financing activities on account of lease payments. The lease liabilities were discounted using the incremental borrowing rate of the company as at 1 April 2019. The Weighted Average incremental borrowing rate applied to lease liability as at April 1, 2019 is 8.81%

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. In statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous year to depreciation cost for the ROU asset and finance cost for interest accrued on lease liability.

In the context of initial application, the company has exercised the option not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

## Notes to Standalone financial statements for the year ended 31 March, 2020

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:-

(₹ in Lakhs)

Particulars	Non-Factory Building
Balance as at April 1, 2019	-
Recognition on account of adoption of Ind AS 116	432.88
Additions	-
Depreciation	148.26
Balance as at March 31, 2020	<b>284.62</b>

The depreciation expense of ₹142.01 Lakhs on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss. Further ₹6.25 Lakhs capitalized as Pre-operative expenses.

The following is the movement in lease liabilities during the year ended March 31, 2020:-

(₹ in Lakhs)

Particulars	Lease Liabilities
Balance as at April 1, 2019	-
Recognition on account of adoption of Ind AS 116	432.88
Interest expense during the period	27.38
Payment of lease liabilities	164.50
Balance as at March 31, 2020	<b>295.76</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 3 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land & Site Development	Office Building	Factory Building	Non Factory Building	Plant & Machinery	Railway Sidding	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Tools & Tackles	Total
Gross Carrying Value												
At 1 April ,2018	4,991.45	-	4,736.24	3,159.66	22,655.74	-	327.26	115.72	164.47	1,047.79	170.34	37,368.66
Additions	325.85	-	20.67	31.24	229.90	1,557.00	27.27	34.01	51.93	688.96	28.83	2,995.67
Disposals/deductions/adjustments	-	-	-	-	296.82	-	1.04	0.16	2.81	220.71	8.66	530.21
At 31 March ,2019	5,317.29	-	4,756.91	3,190.90	22,588.82	1,557.00	353.48	149.57	213.59	1,516.04	190.51	39,834.12
Additions	204.02	1,203.16	2.51	188.81	772.25	2,006.90	503.87	306.14	112.26	478.74	131.66	5,910.33
Disposals/deductions/adjustments	-	-	-	-	-	-	0.17	3.20	-	19.91	-	23.28
At 31 March ,2020	5,521.32	1,203.16	4,759.42	3,379.71	23,361.08	3,563.90	857.18	452.51	325.85	1,974.87	322.18	45,721.17
Accumulated Depreciation												
At 1 April ,2018	-	-	792.65	607.84	7,887.99	-	120.38	60.53	101.51	374.20	72.78	10,017.88
Charge for the year	-	-	374.31	202.31	3,669.89	0.77	50.91	27.26	28.81	263.28	26.92	4,644.46
Disposals/deductions/adjustments	-	-	-	-	226.29	-	0.99	-	2.69	199.08	7.46	436.51
At 31 March ,2019	-	-	1,166.96	810.16	11,331.58	0.77	170.29	87.79	127.64	438.40	92.24	14,225.83
Charge for the year	-	47.14	339.86	170.67	2,817.89	282.74	160.75	128.22	70.57	344.54	33.12	4,395.49
Disposals/deductions/adjustments	-	-	-	-	-	-	0.16	-	-	17.60	-	17.76
At 31 March ,2020	-	47.14	1,506.82	980.82	14,149.48	283.51	330.87	216.01	198.20	765.35	125.36	18,603.56
Net Carrying Value												
At 31 March ,2019	5,317.29	-	3,589.96	2,380.74	11,257.24	1,556.23	183.20	61.78	85.95	1,077.64	98.28	25,608.29
At 31 March ,2020	5,521.32	1,156.02	3,252.60	2,398.89	9,211.60	3,280.39	526.31	236.50	127.64	1,209.53	196.82	27,117.61

#### 3.1 Intangible assets

(₹ in Lakhs)

Particulars	Intangible Assets
Gross Carrying Value	
At 1 April ,2018	50.99
Additions	11.61
Disposals/deductions/adjustments	-
At 31 March ,2019	62.60
Additions	13.52
Disposals/deductions/adjustments	-
At 31 March ,2020	76.12
Accumulated Depreciation	
At 1 April ,2018	32.08
Additions	12.14
Disposals/deductions/adjustments	-
At 31 March ,2019	44.22
Charge for the year	10.32
Disposals/deductions/adjustments	-
At 31 March ,2020	54.54
Net Carrying Value	
At 31 March ,2019	18.39
At 31 March ,2020	21.58

- During the year Company has sold/ discarded Property ,Plant and Equipment amounting to ₹23.28 Lakhs ( 31 March, 2019 - ₹530.21 Lakhs).
- Depreciation for the year includes ₹131.71 Lakhs (31 March, 2019 - ₹7.83) capitalized as Pre-operative expenses.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 4 Investment in subsidiaries

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Investment in Subsidiaries - Unquoted</b>		
<b>Megha Technical &amp; Engineers Private Limited</b>	2,734.64	2,734.64
2,73,46,400 (2,73,46,400 as at 31 March, 2019, ) Equity Shares of ₹10/- each fully paid up		
<b>Star Century Global Cement Private Limited</b>	20.03	20.03
300 (300 as at 31 March, 2019 ) Equity Share of \$ 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 31 March, 2019, ) Equity Shares of ₹10 each fully paid up		
<b>Meghalaya Power Limited</b>	3,568.31	3,568.31
87,36,620 (87,36,620 as at 31 March, 2019) Equity Share of ₹10 each fully paid up		
<b>NE Hills Hydro Limited</b>	7.00	7.00
70,000 (70,000 as at 31 March, 2019) Equity Share of ₹10 each fully paid up		
	<b>23,744.65</b>	<b>23,744.65</b>

### 5 Investment-non-current

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Investment at FVTPL</b>		
Investment in Unquoted Equity Instruments		
<b>Adonis Vyapaar Private Limited</b>	33.95	36.23
3,55,509 (3,55,509 as at 31 March, 2019) Equity Share of ₹10 each fully paid up		
<b>Apanapan Viniyog Private Limited</b>	33.95	37.01
3,55,509 (3,55,509 as at 31 March, 2019) Equity Share of ₹10 each fully paid up		
<b>Ara Suppliers Private Limited</b>	33.81	38.36
3,55,509 (3,55,509 as at 31 March, 2019) Equity Share of ₹10 each fully paid up		
<b>Arham Sales Private Limited</b>	33.99	37.79
3,55,509 (3,55,509 as at 31 March, 2019) Equity Share of ₹10 each fully paid up		
Investment in Quoted Equity Instruments		
<b>Reliance Power Limited</b>	0.11	0.99
8,743 (8,743 as at 31 March, 2019) Equity Shares of ₹10 each fully paid up		
	<b>135.81</b>	<b>150.38</b>
Aggregate Market value of Quoted investment	0.11	0.99
Aggregate amount of unquoted investments	135.70	149.39
	<b>135.81</b>	<b>150.38</b>

### 6 Loans

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good		
Security deposits	434.71	178.31
	<b>434.71</b>	<b>178.31</b>

### 7 Deferred tax assets (net)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Deferred tax assets</b>		
Gratuity and leave encashment	126.73	94.67
Trade receivable	-	5.43
Property, plant and equipment	830.77	693.31
MAT credit entitlement	16,393.94	15,502.84
<b>Deferred tax assets (net)</b>	<b>17,351.44</b>	<b>16,296.26</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 8 Non-current tax assets (net)

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Advance income tax (net of provision for taxation of ₹4,313.25 Lakhs for 31 March, 2020 and ₹3,028.62 Lakhs for 31 March, 2019)	79.08	62.94
	<b>79.08</b>	<b>62.94</b>

### 9 Other non-current assets

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured, considered good		
Deposit with statutory authorities	75.02	75.03
Capital advances (Refer note 9.1 below)	4,276.79	5,112.66
	<b>4,351.81</b>	<b>5,187.69</b>

9.1 Capital Advances includes advance against land of ₹1,534.96 Lakhs. The Company is in the process of getting registration in its name..

### 10 Inventories

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Raw materials (including in transit as at 31 March, 2020 - ₹78.70 Lakhs and 31 March, 2019 - ₹308.40 Lakhs)	3,048.13	2,323.50
Work - in - progress	24.69	24.70
Finished goods (including in transit as at 31 March, 2020 - ₹131.71 Lakhs and 31 March, 2019 - ₹355.81 Lakhs)	1,610.42	955.99
Stock in trade (including in transit as at 31 March, 2020 - ₹Nil and 31 March, 2019 - ₹101.31 Lakhs)	59.65	125.66
Fuels, packing materials, etc.	1,382.23	2,647.49
Stores & spares parts	2,300.70	1,927.45
	<b>8,425.82</b>	<b>8,004.79</b>

### 11 Trade receivables

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Secured considered Good	4,787.89	5,447.36
Unsecured, considered good	5,905.46	7,346.73
Considered doubtful	64.90	65.71
Less: Allowance for doubtful trade receivables	(64.90)	(65.71)
	<b>10,693.35</b>	<b>12,794.09</b>

### 12 Cash and cash equivalents

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Cash in hand	19.32	76.07
Stamp paper in hand	0.20	0.20
Cheques in hand	50.21	91.88
Balance with Banks		
- In current accounts/cash credit accounts	446.07	444.59
- In Fixed Deposit accounts including interest with original maturity of upto 3 months	23,108.16	7,164.40
	<b>23,623.96</b>	<b>7,777.14</b>

### 13 Other - Bank balances (other than Note 12 above)

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unpaid dividend account (Refer note 13.1 below)	9.62	1.65
In Fixed Deposit accounts including interest with original maturity of more than 3 months and upto 12 months	2,500.84	11,509.50
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months (Refer note 13.1 below)	86.89	128.82
	<b>2,597.35</b>	<b>11,639.97</b>



## Notes to Standalone financial statements for the year ended 31 March, 2020

**13.1** The bank balance disclosed above represents margin money against bank guarantee and unpaid dividend account are subject to regulatory restrictions and are therefore not available for general use by the Company.

### 14 Loans

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured, considered good		
Security deposits	156.82	70.83
Others	1,351.95	1,368.89
	<b>1,508.77</b>	<b>1,439.72</b>

### 15 Other financial assets

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured, considered good		
- Advances recoverable from an associate	40.05	40.05
	<b>40.05</b>	<b>40.05</b>

### 16 Other current assets

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured, considered good		
- Advances to suppliers	1,111.66	4,243.62
- Advances to employees	76.21	93.73
- Balances with statutory/government authorities	2,780.13	988.00
- Subsidies /incentives receivable from central/state governments	14,433.01	29,661.11
- Advances for services & expenses	264.26	381.79
- Prepaid expenses	487.03	154.19
Unsecured, considered doubtful		
- Doubtful advances	7.09	7.09
Less: Allowance for bad & doubtful advances	(7.09)	(7.09)
	<b>19,152.30</b>	<b>35,522.44</b>

### 17 Equity share capital

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Authorized capital		
83,00,00,000 (83,00,00,000 as at 31 March, 2019) Equity Shares of ₹1/- each fully paid	8,300.00	8,300.00
Issued, subscribed & fully paid -up shares		
41,24,28,997 (41,92,28,997 as at 31 March, 2019) Equity Shares of ₹1/- each fully paid	4,124.29	4,192.29
	<b>4,124.29</b>	<b>4,192.29</b>

**a** Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b** During the year the Company has bought back 68,00,000 Equity Shares of ₹1 each from all the existing shareholders/ beneficial owners of the Company as on record date i.e., 5 July, 2019 on a proportionate basis through tender offer route at a price of ₹150/- each for an aggregate amount of ₹102,00,00,000/-. The payments have been made to all the eligible shareholders on 15 November, 2019, subsequently the bought back shares have been extinguished.

**c** Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year	41,92,28,997	41,92,28,997
Issued during the year	(68,00,000)	-
Outstanding at the end of the year	<b>41,24,28,997</b>	<b>41,92,28,997</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### d Details of Shareholders holding more than 5% of Equity Share capital

Name of the Shareholders	No. of Shares % of holding	No. of Shares % of holding
Sajjan Bhajanka	46,721,636 11.33%	47,316,047 11.29%
Prem Bhajanka	37,718,954 9.15%	38,222,553 9.12%
SBI Equity Hybrid Fund	23,744,583 5.76%	24,234,751 5.78%

17.1 As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership.

## 18 Other Equity

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Capital reserve		
Opening Balance	643.53	643.53
Addition/(deduction) during the year	-	-
	643.53	643.53
Capital Redemption Reserve Account		
Balance as per last account	-	-
Addition (deduction) during the year	68.00	-
	68.00	-
General reserve		
Opening Balance	3,187.83	3,187.83
Addition/(deduction) during the year	-	-
	3,187.83	3,187.83
Retained earnings		
Opening Balance	97,105.07	75,817.28
Profit/(loss) for the year	21,870.69	25,589.14
Less: Appropriations		
Payment of Final Dividend for the year 2017-18	-	(4,192.29)
Tax on Final Dividend for the year 2017-18	-	(110.99)
Payment of Interim Dividend for the year 2019-2020	(4,124.29)	-
Tax on Interim Dividend for the year 2019-2020	(847.76)	-
Buyback of Shares for the year 2019-2020	(10,200.00)	-
Other comprehensive income		
Remeasurement of post-employment benefit obligations (net of tax)	(21.60)	1.93
	<b>103,782.11</b>	<b>97,105.07</b>
	<b>107,681.47</b>	<b>100,936.43</b>

### Nature and purpose of reserves

#### Capital Reserve

During amalgamation with Star Ferro and Cement Limited, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

#### Capital Redemption Reserve

In accordance with section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

#### General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

#### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 19 Borrowings

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Loans from related party (unsecured)		
- From a subsidiary [Refer note (a) below]	14,284.46	15,112.46
Other loans (secured)		
-Hire purchase finance from banks [Refer note (b) below]	28.89	80.76
	<b>14,313.35</b>	<b>15,193.22</b>
Less: Current maturities of long term borrowings	(27.83)	(51.87)
	<b>14,285.52</b>	<b>15,141.35</b>

#### Notes

- (a) Term loan from a related party (subsidiary company) is long term in nature i.e. payable in 5 years.
- (b) Hire purchase finance is secured by hypothecation of respective vehicles and is repayable within three years having varying date of payment.
- (c) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

### 20 Other financial liabilities (Incl. Lease Liabilities)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Security deposit	10,747.62	9,693.88
Lease Liabilities	166.74	-
	<b>10,914.36</b>	<b>9,693.88</b>

### 21 Employee benefit obligations

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Provision for employee benefits		
- Gratuity	241.50	137.17
	<b>241.50</b>	<b>137.17</b>

### 22 Other non current liabilities

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Deferred government grant	57.05	-
	<b>57.05</b>	<b>-</b>

### 23 Borrowings

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Secured		
Working capital facilities from banks [Refer note (a) below]		
- Cash credit	513.49	522.65
	<b>513.49</b>	<b>522.65</b>

#### Notes

- (a) Working Capital facilities of ₹296.38 Lakhs (31March 2019 : ₹117.84 Lakhs) from banks are secured by pari passu first charge on current assets and second pari passu charge on Property ,plant and equipment of the Company's cement grinding unit at Guwahati, Assam.

Working capital facilities of ₹217.11 Lakhs (31March 2019 : ₹404.81 Lakhs) from banks are secured by pari passu first charge on current assets and pari passu second charge on Property ,plant and equipment of the Company's cement plant at Lumshnong, Meghalaya.

These working capital facilities have been guaranteed by some of the Directors of the Company.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 24 Other financial liabilities (Incl. Lease Liabilities)

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Current maturities of long term borrowings	27.83	51.87
Interest accrued but not due on borrowings	0.19	0.61
Unclaimed dividend	9.62	1.65
Other payables		
-Creditors for capital goods	992.27	443.23
-Salary and bonus to employees	231.37	296.28
-Retention money	216.37	152.77
-Other liabilities	8,629.29	7,259.51
- Lease Liabilities	129.02	-
	<b>10,235.96</b>	<b>8,205.92</b>

24.1 Amount to be transferred to the Investor Education and Protection Fund shall be determined on the respective due date and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

### 25 Employee benefit obligation

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Provision for employee benefits		
-Leave encashment	256.74	216.57
-Gratuity	61.34	54.59
	<b>318.08</b>	<b>271.16</b>

### 26 Other current liabilities

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Other payables		
Statutory liabilities	2,074.74	4,056.17
Advances from customer	1,901.97	1,120.06
Current portion of Deferred government grant	11.38	-
	<b>3,988.09</b>	<b>5,176.23</b>

### 27 Current tax liabilities (net)

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Provision for taxation (net of advance income tax as at 31 March, 2020 ₹Nil, ₹10,478.37 Lakhs as at 31 March, 2019)	-	789.33
	<b>-</b>	<b>789.33</b>

### 28 Revenue from operations

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Sale of products		
Domestic	176,869.43	169,074.88
Export	4.62	71.38
	<b>176,874.05</b>	<b>169,146.26</b>
Other operating income		
Shortage recovery of cement & clinker	-	1.65
Others	452.63	389.85
	<b>177,326.68</b>	<b>169,537.76</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 29 Other income

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Interest income from financial instrument measured at amortised cost		
Bank deposits	2,538.10	188.13
Others	258.71	63.32
Fair Value of Equity Instrument	(14.57)	11.08
Dividend Income	-	3,652.41
Miscellaneous income	24.65	36.22
	<b>2,806.89</b>	<b>3,951.16</b>

### 30 Cost of materials consumed

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Inventory at the beginning of the year	2,323.50	4,601.11
Add: Purchases	63,266.14	56,089.76
	<b>65,589.64</b>	<b>60,690.87</b>
Less : Inventory at the end of the year	3,048.13	2,323.50
	<b>62,541.51</b>	<b>58,367.37</b>

### 31 (Increase)/ decrease in inventories

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Work in progress		
Opening stock	24.70	37.37
Closing stock	24.69	24.70
	0.01	12.67
Finished goods		
Opening stock	955.99	2,062.96
Closing stock	1,610.42	955.99
	(654.43)	1,106.97
	<b>(654.42)</b>	<b>1,119.64</b>

### 32 Employee benefit expenses

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Salaries & wages	7,659.75	6,798.02
Contribution to provident fund and other funds	261.46	217.71
Welfare expenses	288.69	256.27
	<b>8,209.90</b>	<b>7,272.00</b>

### 33 Finance costs

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Interest expense		
-On loans measured at amortised cost	1,836.63	1,917.12
Other finance costs	119.31	170.74
	<b>1,955.94</b>	<b>2,087.86</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 34 Depreciation and amortisation expenses

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Depreciation on Property, plant and equipment	4,179.68	4,644.46
Amortisation of right-of-use- assets	142.01	-
Amortisation of Intangible Assets	10.20	12.14
	<b>4,331.89</b>	<b>4,656.60</b>
Less: Transferred to Capital Work in Progress	-	7.83
	<b>4,331.89</b>	<b>4,648.77</b>

**34.1** Depreciation is net off amortisation of Government Grant of ₹84.23 Lakhs as at 31 March, 2020 and ₹ Nil at 31 March, 2019.

**34.2** Amortisation of right-of-use- assets of ₹6.25 Lakhs (31 March, 2019 - ₹ Nil) capitalized as Pre-operative expenses.

### 35 Other expenses

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Consumption of stores & spares	725.98	648.69
Packing materials	5,015.48	4,777.78
Power & fuel	16,749.74	13,539.27
Repairs & maintenance		
- Building	160.98	117.38
- Plant & machinery	531.64	708.90
- Others	381.26	229.88
Heavy vehicle / equipment running expenses	250.14	356.88
Travelling and conveyance	773.57	626.04
Insurance	132.83	104.43
Rent, rates & taxes	542.13	184.53
Research & development expenses	36.96	26.54
Charity & donation	292.04	674.52
Miscellaneous expenses [includes payments made to Auditor refer Note 45(e)]	2,594.95	2,257.37
CSR expenses [Refer Note 45(d)]	406.08	295.98
Advertisement & publicity	2,653.78	1,944.33
Outward Freight Charges	34,107.80	33,125.17
Sales promotion expenses	819.16	882.63
Commission & incentives	1,464.95	1,358.69
	<b>67,639.47</b>	<b>61,859.01</b>

### 36 Tax expense

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>(a) Current tax</b>		
Current tax on profits for the year	4,309.68	5,187.75
<b>Total current tax expense</b>	<b>4,309.68</b>	<b>5,187.75</b>
<b>(b) Deferred tax</b>		
Deferred tax	(1,043.58)	(2,740.11)
<b>Total deferred income tax expense/(benefit)</b>	<b>(1,043.58)</b>	<b>(2,740.11)</b>
Tax in respect of earlier years	(36.79)	-
<b>Tax expenses</b>	<b>3,229.31</b>	<b>2,447.63</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 36.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before tax	25,100.00	28,036.77
<b>Tax at the Indian tax rate of 34.944% (31 March, 2019 - 34.944%)</b>	<b>8,770.94</b>	<b>9,797.17</b>
Item not deductible/ taxable under tax	279.67	387.13
Effect of allowances/ tax holidays for tax purpose	(5,632.03)	(6,241.90)
Effect of tax on exempt income	-	(1,276.30)
Others	(152.48)	(218.47)
Tax in respect of earlier years	(36.79)	-
<b>Tax expenses</b>	<b>3,229.31</b>	<b>2,447.63</b>

**36.2** The Tax Rate used for the year 2019-20 and 2018-19 reconciliation above is the Corporate tax rate of 34.944% ( 30%+ surcharge @12% + education cess @4% ) payable on taxable profits under the Income Tax Act, 1961.

### 37 Earnings per share

#### (a) Basic earnings per share

Particulars	31 March, 20	31 March, 19
Basic earnings per share attributable to the equity holders of the Company (in ₹)	5.25	6.10

#### (b) Diluted earnings per share

Particulars	31 March, 20	31 March, 19
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	5.25	6.10

#### (c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)

Particulars	31 March, 20	31 March, 19
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basic earnings per share	21,870.69	25,589.14
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	21,870.69	25,589.14

#### (d) Weighted average number of equity shares used as the denominator

(₹ in Lakhs)

Particulars	31 March, 20	31 March, 19
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	416,665,063	419,228,997
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	416,665,063	419,228,997

### 38 Employees benefit obligations

#### (a) Leave encashment

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

Particulars	31 March, 20	31 March, 19
Leave obligations not expected to be settled within the next 12 months	221.31	102.55

#### (b) Post-employment obligations

##### i) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance Company.

## Notes to Standalone financial statements for the year ended 31 March, 2020

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
1 April 2018	345.38	(200.79)	144.59
Current service cost	52.62	-	52.62
Interest expense/(income)	25.73	(15.46)	10.27
<b>Total amount recognised in profit or loss</b>	<b>78.35</b>	<b>(15.46)</b>	<b>62.89</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.45	1.45
Actuarial (gain)/loss from change in financial assumptions	8.33	-	8.33
Actuarial (gain)/loss from unexpected experience	(12.74)	-	(12.74)
<b>Total amount recognised in other comprehensive income</b>	<b>(4.41)</b>	<b>1.45</b>	<b>(2.96)</b>
Employer contributions/ premium paid	-	(12.76)	(12.76)
Benefit paid	(22.46)	22.46	-
<b>31 March, 2019</b>	<b>396.86</b>	<b>(205.10)</b>	<b>191.76</b>

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2019	396.86	(205.11)	191.76
Current service cost	66.59	-	66.59
Interest expense/(income)	26.56	(14.36)	12.20
<b>Total amount recognised in profit or loss</b>	<b>93.15</b>	<b>(14.36)</b>	<b>78.79</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.86)	(0.86)
Actuarial (gain)/loss from change in financial assumptions	34.68	-	34.68
Actuarial (gain)/loss from unexpected experience	(0.62)	-	(0.62)
<b>Total amount recognised in other comprehensive income</b>	<b>34.06</b>	<b>(0.86)</b>	<b>33.20</b>
Employer contributions/ premium paid	-	(0.91)	(0.91)
Benefit paid	(34.79)	34.79	-
<b>31 March, 2020</b>	<b>489.28</b>	<b>(186.45)</b>	<b>302.84</b>

### (ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	31 March, 20	31 March, 19
Discount rate	7.00%	7.75%
Expected return on plan asset	6.00%	7.75%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

### (ii) 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			
	31 March, 20		31 March, 19	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(448.97)	339.95	(96.33)	245.87
Salary growth rate (-/+ 1%)	533.08	(291.88)	118.93	13.88
Withdrawal rate (-/+ 1%)	492.31	(310.23)	107.11	(222.50)

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



## Notes to Standalone financial statements for the year ended 31 March, 2020

benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (iv) The major categories of plan assets

The defined benefit plans are funded with Insurance Company of India. The Company does not have any liberty to manage the funds provided to insurance company. Thus the composition of each major category of plan assets has not been disclosed.

### (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 31 March, 2020 are ₹85.68 Lakhs.

The weighted average duration of the defined benefit obligation is 5.34-5.80 years (31 March, 2019: 5.79-6.77 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in Lakhs)		
	Less than a year	Between 2- 5 years	Over 5 years
31 March, 2020	61.34	118.94	202.27
31 March, 2019	54.59	32.65	181.65

## 39 Capital management

### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares

The amount mentioned under total equity in balance sheet is considered as Capital.

### (b) Dividends paid

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March, 2018 of ₹1 per share (31 March, 2017 – Nil)	-	4,192.29
Interim dividend for the year ended 31 March, 2020 of ₹1 per share (31 March, 2019 – Nil)	4,124.29	-

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 40 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Current</b>		
First charge		
Trade receivables	10,693.35	12,794.09
Inventories	8,425.82	8,004.79
Cash and cash equivalents	23,623.96	7,777.14
Bank balances	2,597.35	11,639.97
Other financial assets	1,548.82	1,479.77
Other current assets	19,152.30	35,522.44
<b>Total current assets</b>	<b>66,041.60</b>	<b>77,218.20</b>
<b>Non Current</b>		
First charge		
Property, plant and equipment( including Capital work-in-progress)	49,426.11	31,659.89
<b>Total non-currents assets</b>	<b>49,426.11</b>	<b>31,659.89</b>
<b>Total assets pledged as security</b>	<b>115,467.71</b>	<b>108,878.10</b>

### 41 Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk). This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (INR).	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring the performance of investments

#### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Company receives security deposit from its customers which mitigates the credit risk. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lakhs)

Particulars	Not past due	Less than 6 Months	More than 6 Months and upto 1 years	More than 1 years	Expected credit losses	Net carrying amount of trade receivables
As on 31 March, 2020	5,984.88	3,058.38	266.36	1,448.63	(64.90)	10,693.35
As on 31 March, 2019	9,070.97	2,116.39	606.71	1,065.73	(65.71)	12,794.09

## Notes to Standalone financial statements for the year ended 31 March, 2020

### ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Loans are given to body corporate as per the Company policy and the receipt of repayment are reviewed on regular basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31 March, 2020 and 31 March, 2019 is the carrying amounts as illustrated in Note 42.

### (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)	
	31-Mar-20	31-Mar-19
Expiring within one year (bank overdraft and other facilities)	9,886.51	10,477.35
	<b>9,886.51</b>	<b>10,477.35</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

#### Maturities of financial liabilities

The tables below analyse the 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.

Contractual maturities of financial liabilities 31 March, 2020*	(₹ in Lakhs)				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	541.32	1.06	14,284.46	-	14,826.84
Interest on borrowing	1,273.98	1,231.33	3,693.96	-	6,199.27
Trade payables	9,112.46	-	-	-	9,112.46
Lease Liabilities	149.51	98.11	87.58	-	335.21
Other payables	10,078.92	-	-	-	10,078.92
<b>Total financial liabilities</b>	<b>21,156.19</b>	<b>1,340.56</b>	<b>18,055.95</b>	<b>-</b>	<b>40,552.70</b>

Contractual maturities of financial liabilities 31 March, 2019*	(₹ in Lakhs)				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	574.52	27.83	15,113.52	-	15,715.87
Interest on borrowing	1,357.01	1,308.37	3,921.15	-	6,586.53
Trade payables	9,450.30	-	-	-	9,450.30
Other payables	8,153.45	-	-	-	8,153.45
<b>Total financial liabilities</b>	<b>19,535.28</b>	<b>1,336.20</b>	<b>19,034.67</b>	<b>-</b>	<b>39,906.15</b>

\*Security deposit received from customer has not been included in the above maturity profile as the repayment of the same cannot be reasonably estimated.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### (C) Market risk

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March, 2020 and 31 March, 2019, the Company's borrowings at variable rate were denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (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)	
	31-Mar-20	31-Mar-19
Variable rate borrowings	14,797.95	15,635.11
Fixed rate borrowings	28.89	80.76
<b>Total borrowings</b>	<b>14,826.84</b>	<b>15,715.87</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	Impact on profit before tax	
	31-Mar-20	31-Mar-19
Interest expense rates – increase by 50 basis points (2019: 50 bps)*	(73.99)	(78.18)
Interest expense rates – decrease by 50 basis points (2019: 50 bps)*	73.99	78.18

\* Holding all other variables constant

#### (ii) 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 summarizes the impact of increases/decreases of the share prices on the Company's equity.

Particulars	Impact on profit before tax	
	31-Mar-20	31-Mar-19
Increase by 5% (2019: 5%)*	6.79	7.52
Decrease by 5% (2019: 5%)*	(6.79)	(7.52)

\* Holding all other variables constant

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 42 Financial instruments by category

(₹ in Lakhs)

Particulars	31-Mar-20			31-Mar-19		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investment in equity instruments	135.81	-	-	150.38	-	-
Loans	-	-	1,943.48	-	-	1,618.03
Trade receivables	-	-	10,693.35	-	-	12,794.09
Cash and cash equivalent	-	-	23,623.96	-	-	7,777.14
Balance with banks	-	-	2,597.35	-	-	11,639.97
Recoverable from related parties	-	-	40.05	-	-	40.05
	<b>135.81</b>	<b>-</b>	<b>38,898.19</b>	<b>150.38</b>	<b>-</b>	<b>33,869.28</b>
<b>Financial liabilities</b>						
Borrowing	-	-	14,826.85	-	-	15,715.88
Security deposit	-	-	10,747.62	-	-	9,693.88
Lease Liabilities	-	-	295.76	-	-	-
Trade payable	-	-	9,511.59	-	-	9,450.30
Creditors for capital goods	-	-	992.27	-	-	443.23
Salary and bonus to employees	-	-	231.37	-	-	296.28
Retention money	-	-	216.37	-	-	152.77
Other liabilities including Unclaimed dividend and Interest accrued but not due on borrowings	-	-	8,639.10	-	-	7,261.78
	<b>-</b>	<b>-</b>	<b>45,460.93</b>	<b>-</b>	<b>-</b>	<b>43,014.12</b>

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of all assets and liabilities
- the fair value of the financial instruments is determined using discounted cash flow analysis.

#### (iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

Particulars	31-Mar-20			31-Mar-19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	0.11	-	135.70	0.99	-	149.38
<b>Total financial assets</b>	<b>0.11</b>	<b>-</b>	<b>135.70</b>	<b>0.99</b>	<b>-</b>	<b>149.38</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### (iv) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	31-Mar-20		31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits and margin money	434.71	434.71	178.31	178.31
<b>Total financial assets</b>	<b>434.71</b>	<b>434.71</b>	<b>178.31</b>	<b>178.31</b>
<b>Financial liabilities</b>				
Borrowings	28.89	29.13	80.76	81.22
Security deposits	10,747.62	10,747.62	9,693.88	9,693.88
Lease Liabilities	295.76	295.76	-	-
<b>Total financial liabilities</b>	<b>11,072.27</b>	<b>11,072.51</b>	<b>9,774.64</b>	<b>9,775.10</b>

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

### (v) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

## 43 Contingent liability & commitments

(₹ in Lakhs)

Sl. No	Particulars	31-Mar-20	31-Mar-19
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	363.00	5,499.11
2	Claims against the company not acknowledge as debts – Excise/VAT/royalty etc.	6,343.96	1,971.10
3	Duty saved under EPCG scheme	46.65	46.65
4	Letters of credit issued by bank	149.83	1992.16

**Note:** Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

- a) In respect of demand notice dated 19th February, 2020 received by the Company from Director of Mineral Resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹ 4,184.06 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the Recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Company has neither been issued a show-cause nor any opportunity of being heard was given to the Company before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Company before passing the impugned order dated 17.01.2020 which in 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 Internal Report. Therefore, there is every likelihood of the Demand Notice being set aside. The Company is preferring an appeal before appropriate forum and accordingly, no provisions has been made in the accounts.

## Notes to Standalone financial statements for the year ended 31 March, 2020

- (b) Supreme Court vide its Judgement dated 22.04.2020 in the matter of M/s V.V.F Limited & others versus the Union of India has reversed the Judgement of the Hon'ble Supreme Court in the matter of M/s V.V.F Limited & others Vs the Union of India based on which Shillong Bench and Guwahati Bench of Hon'ble High Court of Guwahati has passed the order in favour of the Company and company has claimed refund of 50% of differential Excise duty against furnishing of surety bond. The Company is preferring an appeal before the appropriate Forum against the above judgement. It is to be noted that misuse of benefit granted by some unscrupulous assessee cannot be made a ground to deny the benefits to genuine manufacturers and cannot be termed as in public interest. It can also not be said that the subsequent notifications are only clarificatory in nature and are not hit by doctrine of promissory estoppel as denial of promised benefits will hurt the genuine manufacturer who have changed their position on the basis of promise by the state. Based on the legal advice obtained by the company from External Counsel as well as its own assessment there is every likelihood of reversal of the said judgement and appeal will be allowed and hence no reversal of income amounting to ₹2,930.11 Lakhs which was previously booked in the books of accounts is required.
- (c) On the basis of the direction of the High Court of Meghalaya dated 30.08.2018 following the decision of the Supreme Court dated 10.11.2017 passed in SRD Nutrients Pvt. Ltd. Vs. Commissioner of Central Excise, Guwahati, Company has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹566.05 Lakhs in previous years. However, the Apex court vide its order dated 06.12.2019 have taken a contrary view in the matter of M/S Unicorn Industries Vs Union of India and Others. Based on the later judgement a demand letter was raised by the department to refund back the amount granted. As the order dated 30.08.2018, has attained its finality and the refund was granted accordingly, the Company has preferred an appeal before the appropriate Forum against the above demand letter. Meghalaya High Court has stayed the said demand vide its order dated 16-06-2020. Based on the legal advice obtained by the company from External Counsel as well as its own assessment there is every likelihood that the said demand will be quashed and therefore no provision have been taken in the books of accounts.

### 44 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
	<b>Others related parties</b>	
	<b>I. Enterprises influenced by KMP</b>	
	Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
	Profound Cement Work LTD (PCWL) (Formerly known as Star India Cement Limited)	Enterprises influenced by KMP
	Nefa Udyog (NU)	Enterprises influenced by KMP
	<b>II. Key Management Personnel</b>	
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Kumar Bhajanka	Director
	Mr. Sanjay kumar Gupta	Chief Executive Officer
	Mr. Manoj Agarwal	Chief Financial Officer
	Mr. Debabrata Thakurta	Company Secretary
	<b>III. Relatives of Key Management Personnel</b>	
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mrs. Yash Bala Bhajanka	Wife of Mr. Prem Kumar Bhajanka, Director

## Notes to Standalone financial statements for the year ended 31 March, 2020

Details of transactions between the Company and related parties and the status of outstanding balance :

(₹ in Lakhs)

B	Types of Transactions	Subsidiaries		Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>1. Purchase Transactions</b>							
	SCFL	-	-	-	18.47	-	-
	MPL	5,741.82	5,690.83	-	-	-	-
	MTEPL	20.21	7.77	-	-	-	-
	SCML	61,601.18	53,406.61	-	-	-	-
<b>2. Sale Transactions</b>							
	MTEPL	-	5.17	-	-	-	-
	SCML	4,490.25	4,832.24	-	-	-	-
	MPL	2.65	229.58	-	-	-	-
	CPIL	-	-	15.93	6.03	-	-
<b>3. Services Rendered</b>							
	MTEPL	0.18	-	-	-	-	-
<b>4. Service Received</b>							
	SCML	17.70	36.88	-	-	-	-
	MPL	12.12	-	-	-	-	-
	CPIL	-	-	116.24	-	-	-
	NU	-	-	5.30	4.06	-	-
	Mrs.Yash Bala Bhajanka	-	-	-	-	11.38	12.30
<b>5. Purchase of Capital Goods</b>							
	MTEPL	8.65	0.01	-	-	-	-
	SCML	2.89	-	-	-	-	-
	MPL	13.23	-	-	-	-	-
	CPIL	-	-	2,348.02	-	-	-
	SCFL	-	-	55.89	-	-	-
<b>6. Loan Taken</b>							
	MTEPL	-	1550.00	-	-	-	-
<b>7. Loan &amp; advances repaid</b>							
	MTEPL	551.54	257.00	-	-	-	-
	Mr. Prem kumar Bhajanka	-	-	-	-	-	2,100.00
	Mr. Sanjay Agarwal	-	-	-	-	-	2,500.00
	Mr. Sajjan Bhajanka	-	-	-	-	-	1,700.00
<b>8. Loan Given</b>							
	MPL	2325.00	-	-	-	-	-
<b>9. Loan repaid back</b>							
	MPL	2325.00	-	-	-	-	-
<b>10. Interest Paid</b>							
	MTEPL	1,264.15	1,233.16	-	-	-	-
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	19.17
	Mr. Sajjan Bhajanka	-	-	-	-	-	15.52
	Mr.Sanjay Agarwal	-	-	-	-	-	22.82
<b>11. Interest Received</b>							
	MPL	159.19	-	-	-	-	-
<b>12. Remuneration Paid</b>							
	Mr. Sajjan Bhajanka	-	-	-	-	198.00	198.00
	Mr.Rajendra Chamaria	-	-	-	-	304.20	237.00
	Mr.Sanjay Agarwal	-	-	-	-	198.00	198.00
	Mr. Sanjay kumar Gupta	-	-	-	-	189.77	137.09
	Mr.Rahul Chamaria	-	-	-	-	60.00	50.00
	Mr. Sachin Chamaria	-	-	-	-	60.00	50.00
	Mr. Manoj Agarwal	-	-	-	-	71.31	64.77



## Notes to Standalone financial statements for the year ended 31 March, 2020

(₹ in Lakhs)

B	Types of Transactions	Subsidiaries		Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Mr. Debabrata Thakurta	-	-	-	-	26.45	23.05
<b>13.</b>	<b>Balance Outstanding</b>						
	<b>(a) Creditors</b>						
	MPL	349.41	555.19	-	-	-	-
	SCML	2,055.46	2,484.09	-	-	-	-
	CPIL	-	-	25.35	-	-	-
	Mrs.Yash Bala Bhajanka	-	-	-	-	0.97	-
	NU	-	-	2.64	4.71	-	-
	<b>(b) Advance :( Given)</b>						
	PCWL	-	-	36.04	36.04	-	-
	NE Hills Hydro	0.51	0.51	-	-	-	-
	SCGCPL	3.50	3.50	-	-	-	-
	<b>(c) Debtors</b>						
	CPIL	-	-	3.79	-	-	-
	<b>(d) Loans :( Taken)</b>						
	MTEPL	14,284.46	15,112.46	-	-	-	-
	<b>(e) Guarantees Obtained</b>						
	Mr. Sajjan Bhajanka	-	-	-	-	12,800.00	16,800.00
	Mr. Rajendra Chamaria	-	-	-	-	12,800.00	16,800.00
	Mr. Sanjay Agarwal	-	-	-	-	12,800.00	16,800.00
	Mr. Prem Kumar Bhajanka	-	-	-	-	12,800.00	16,800.00
	<b>(f) Investments</b>						
	MTEPL	2,734.64	2,734.64	-	-	-	-
	SCML	17,414.67	17,414.67	-	-	-	-
	MPL	3,568.31	3,568.31	-	-	-	-
	NE Hills Hydro	7.00	7.00	-	-	-	-
	SCGCPL	20.03	20.03	-	-	-	-

### Key management personnel compensation

(₹ in Lakhs)

C	Particulars	31-Mar-20	31-Mar-19
	Short-term employee benefits	987.73	857.91
	Post-employment benefits *	-	-
	Long-term employee benefits*	-	-
	<b>Total compensation</b>	<b>987.73</b>	<b>857.91</b>

\* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.

## Notes to Standalone financial statements for the year ended 31 March, 2020

### 45 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)	
	31-Mar-20	31-Mar-19
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	399.13	-
(ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	<b>399.13</b>	<b>-</b>
(i) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	3.10	0.20
(ii) Amount paid to the suppliers beyond the respective appointed date.	211.50	36.10
(iii) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(iv) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

- (b) The Company has exercised the option in accordance to paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31 March, 2020 is ₹39.43 Lakhs (31 March, 2019: ₹48.24 Lakhs).

- (c) Segment information

- (i) Cement is the only identified operating segment of the Company. There is no separate reportable segment as required by Ind AS 108 'Operating Segments'. There are no revenues from transactions with a single customers amounting to 10 per cent or more of the Company's revenues during the current and previous year.

- (ii) Geographical information

The entire revenue of the Company has been generated by way of domestic & export sales.

SI No.	Particulars	(₹ in Lakhs)	
		31-Mar-20	31-Mar-19
(i)	India	177,322.06	169,466.38
(ii)	Nepal	-	30.81
(iii)	Bhutan	4.62	40.57
	<b>Total</b>	<b>177,326.68</b>	<b>169,537.76</b>

- (d) As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

Gross amount required to be spent by the company during the year is ₹396.05 Lakhs, (2018-19: ₹246.48 Lakhs)

Amount spent during the year on:

Particulars	(₹ in Lakhs)	
	2019-20	2018-19
Education	145.79	212.50
Preventive healthcare and Sanitation	76.95	32.55
Livelihood & skill Building	63.32	11.03
Flood Relief	56.33	18.04
Sports Upliftment	10.76	-
Rural Development Programs	52.93	21.86
	<b>406.08</b>	<b>295.98</b>

## Notes to Standalone financial statements for the year ended 31 March, 2020

### (e) Payment to Auditor

(₹ in Lakhs)

Particulars	2019-20	2018-19
As Auditor		
-Statutory Audit Fees	11.00	11.00
Limited Audit Review Fees	6.00	6.00
In Other Capacity		
Certification Fees and other services	0.24	0.24
	<b>17.24</b>	<b>17.24</b>

**46** The operations of Company were impacted, due to temporary shutdown of all plants following nationwide lockdown announced by the Government of India in view of COVID-19, pandemic. The Company have made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its property, plant and equipment, loans and other assets, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, it is expected to recover the carrying amount of these assets. The management does not foresee any risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due. It will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

**47** Previous year's figures have been regrouped and/or rearranged wherever necessary, to confirm to current year classification.

**48** The financial statements are approved by the audit committee at its meeting held on 25 June, 2020 and by the Board of Directors on the same date.

For and on behalf of Board of Directors

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

Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Place : Kolkata  
Date : 25 June,2020

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

# Consolidated Financial Statements

# Independent Auditors' Report

To  
The Members of  
Star Cement Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Star Cement Limited ( hereinafter referred to as the "Holding Company"), and its subsidiaries ( the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2020 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated financial statements, including a summary of significant accounting policies and explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, of the consolidated profit and other comprehensive income, consolidated changes in equity and the consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matters	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>(Refer Note no. 28 to the Consolidated Financial Statements and Note 2.19 (A) of the significant accounting policies of the Consolidated Financial Statements).</p> <p>Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Group's performance obligation under a contract with customer.</p> <p>The Group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before completion of the performance obligation.</p> <p>Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.</p> <p>Due to the Group's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgemental.</p> <p>There is a significant risk of misstatement due to risk related to inappropriate recognition of the revenue and hence this was determined to be a key audit matter.</p>	<p><b>Our audit procedures to assess the appropriateness of revenue recognized included:</b></p> <ul style="list-style-type: none"> <li>– Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Group's key internal controls over the revenue recognition process.</li> <li>– Assessing the appropriateness of the Group's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards</li> <li>– Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately.</li> <li>– Examination of significant contracts entered into close to year end to ensure revenue recognition is made in the correct period.</li> </ul> <p>Our testing as described above showed that revenue has been recorded in accordance with the terms of applicable contracts and accounting policy in this area.</p>
2	<p><b>Related Party Transactions</b></p> <p>Refer Note no. 44 to the Consolidated Financial Statements.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Consolidated Financial Statement as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of transactions with related parties during the year ended 31 March, 2020.</li> <li>• the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.</li> </ul>	<p><b>Our procedures in relation to the evaluation and disclosure of related party transactions included:</b></p> <ul style="list-style-type: none"> <li>– Obtaining an understanding of the Group's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Consolidated Financial Statements.</li> <li>– Obtaining an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. We have also reviewed the Transfer Pricing Report of the Company in this regard.</li> <li>– Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015.</li> <li>– Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul> <p>Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.</p>

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

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

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

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease

operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicated with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including travel restrictions, maintenance of social distancing etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the Management of the Holding Company on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Consolidated Financial Statements.

Our opinion is not modified in respect of this matter.

- We did not audit the financial statements of two subsidiaries (NE Hills Hydro Limited & Star Century Global Cement Private Limited) whose financial statements reflect total assets of Rs. 52.22 lakhs as at 31 March, 2020, total revenue of Rs. Nil and net cash outflows amounting to Rs. 0.28 lakhs for the year ended

on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of Rs. 3.14 lakhs and total comprehensive income of Rs. (3.27) lakhs for the year ended 31 March, 2020, as considered in the Consolidated Financial Statements in respect of these subsidiaries.

The above financial information is before giving effect to any consolidation adjustments. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Of the above, the financial statements of one subsidiary located outside India (Star Century Global Cement Private Limited), included in the Consolidated Financial Statements, which constitute total assets of Rs. 22.69 lakhs as at 31 March, 2020, total revenue of Rs. Nil, total net loss of Rs. 2.88 lakhs and total comprehensive income of Rs. (2.88) lakhs for the year ended 31 March, 2020, have been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of this subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) Without prejudice to the issues described under "Other matter" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement



with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2020, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group Companies is disqualified as on 31 March, 2020 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 over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigation on the consolidated financial position of the Group- Refer Note no 43 (i) to the Consolidated Financial Statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India during the year ended 31 March, 2020.

**For D.K.Chhajer & Co.**

Chartered Accountants

Firm Registration No.: 304138E

**Niraj K. Jhunjhunwala**

Partner

Membership No.:057170

UDIN: 20057170AAAADK6329

Place: Kolkata

Date: 25th June, 2020

## Annexure A to the Independent Auditor's Report

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

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the Consolidated Financial Statements of Star Cement Limited ("the Holding Company") as of 31 March, 2020, we have audited the internal financial controls over financial reporting with reference to the Consolidated Financial Statements of the Holding Company and its subsidiary Companies, which are Companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over

financial reporting with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 over financial reporting of the Holding Company and its subsidiaries, which are incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and based on the consideration of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiaries, which are Companies incorporated in India have, in all material respects, read with impact of Covid- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting in so far as it relates to one subsidiary incorporated in India, is based solely on the corresponding reports of the auditor of such subsidiary company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **D. K.Chhajer & Co.**

Chartered Accountants

Firm Registration No.: 304138E

**Niraj K. Jhunjhunwala**

Partner

Membership No.:057170

UDIN: 20057170AAAADK6329

Place: Kolkata

Date :25th June, 2020

## Consolidated Balance Sheet as at 31 March, 2020

(₹ in Lakhs)

Particulars	Notes	31-Mar-20	31-Mar-19
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	69,298.49	72,212.49
(b) Capital work-in-progress		23,754.83	7,430.78
(c) Right-of-use assets		290.02	-
(d) Intangible assets	3.1	24.09	19.62
(e) Financial assets			
(i) Investments	4	158.07	172.76
(ii) Loans	5	445.86	182.06
(iii) Other financial assets	6	212.05	201.69
(f) Deferred tax assets (net)	7	28,933.71	27,103.54
(g) Non-current tax assets (net)	8	643.57	385.21
(h) Other non-current assets	9	6,294.79	7,131.94
<b>Total non-current assets</b>		<b>1,30,055.48</b>	<b>1,14,840.09</b>
<b>Current assets</b>			
(a) Inventories	10	25,690.86	27,719.25
(b) Financial assets			
(i) Trade receivables	11	12,222.25	14,376.31
(ii) Cash and cash equivalents	12	24,105.83	9,491.36
(iii) Bank balances (other than (ii) above)	13	4,091.51	11,639.97
(iv) Loans	14	4,493.62	3,679.92
(v) Other financial assets	15	36.04	36.04
(c) Other current assets	16	35,119.88	47,902.53
<b>Total current assets</b>		<b>1,05,759.99</b>	<b>1,14,845.38</b>
<b>Total assets</b>		<b>2,35,815.47</b>	<b>2,29,685.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	4,124.29	4,192.29
(b) Other equity	18	1,81,588.38	1,68,173.85
<b>Equity attributable to owners of Star Cement Limited</b>		<b>1,85,712.67</b>	<b>1,72,366.14</b>
<b>Non controlling interest</b>		<b>7,005.14</b>	<b>6,830.35</b>
<b>Total equity</b>		<b>1,92,717.81</b>	<b>1,79,196.49</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	74.18	175.76
(ii) Other financial liabilities (Incl. Lease Liabilities)	20	10,961.07	9,745.36
(b) Employee benefit obligations	21	434.70	277.80
(c) Other non current liabilities	22	1,259.25	1,485.45
<b>Total non-current liabilities</b>		<b>12,729.20</b>	<b>11,684.37</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	1,037.43	4,957.03
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		401.85	0.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,176.54	12,540.77
(iii) Other financial liabilities (Incl. Lease Liabilities)	24	13,468.03	13,069.67
(b) Employee benefit obligation	25	442.34	371.28
(c) Other current liabilities	26	5,842.27	7,015.66
(d) Current tax liabilities (net)	27	-	849.79
<b>Total current liabilities</b>		<b>30,368.46</b>	<b>38,804.61</b>
<b>Total liabilities</b>		<b>43,097.66</b>	<b>50,488.98</b>
<b>Total equity and liabilities</b>		<b>2,35,815.47</b>	<b>2,29,685.47</b>
Significant accounting policies	1 & 2		

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

As per our report of even date.

For and on behalf of Board of Directors

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

Niraj K Jhunjunwala  
Partner  
Membership No. 057170

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date : 25 June,2020

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2020

(₹ in Lakhs)

Particulars	Notes	31-Mar-20	31-Mar-19
<b>INCOME</b>			
Revenue from operations	28	1,84,386.34	1,83,104.20
Other income	29	2,871.99	547.43
<b>Total income</b>		<b>1,87,258.33</b>	<b>1,83,651.63</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	33,896.93	34,985.86
Purchase of traded goods		7,081.99	7,620.50
(Increase)/ decrease in inventories	31	(789.62)	1,068.13
Employee benefits expense	32	12,656.01	11,641.16
Finance costs	33	933.73	1,437.99
Depreciation and amortisation expenses	34	9,295.18	10,564.48
Other expenses	35	92,032.40	82,872.09
<b>Total expenses</b>		<b>1,55,106.62</b>	<b>1,50,190.21</b>
<b>Profit before tax</b>		<b>32,151.71</b>	<b>33,461.42</b>
<b>Tax expenses</b>			
-Current tax	36	(5,339.75)	(6,825.41)
-Income tax for earlier years		3.25	-
-Deferred tax		1,915.13	3,860.98
<b>Total tax expense</b>		<b>(3,421.37)</b>	<b>(2,964.43)</b>
<b>Profit for the year</b>		<b>28,730.34</b>	<b>30,496.99</b>
Share of non controlling interest		175.36	619.29
<b>Profit for the year (after non controlling interest)</b>		<b>28,554.98</b>	<b>29,877.70</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurement of post-employment benefit obligations		(55.43)	(4.56)
Changes in fair value of FVOCI equity instruments		(0.12)	17.55
Deferred tax relating to these items		18.58	1.36
<b>Other comprehensive income for the year, (net of tax)</b>		<b>(36.97)</b>	<b>14.36</b>
Share of non controlling interest		(0.57)	(0.29)
<b>Other comprehensive income for the year, net of tax (after non controlling interest)</b>		<b>(36.40)</b>	<b>14.65</b>
Share of non controlling interest		174.79	619.00
<b>Total comprehensive income for the year</b>		<b>28,693.37</b>	<b>30,511.35</b>
<b>Total comprehensive income for the year, (after non controlling interest)</b>		<b>28,518.58</b>	<b>29,892.35</b>
<b>Earnings Per equity share (face value of ₹1 each)</b>			
Basic earning per share (in ₹)	37	6.85	7.13
Diluted earning per share (in ₹)		6.85	7.13
Significant accounting policies	1 & 2		

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

As per our report of even date.

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

Niraj K Jhunjunwala  
Partner  
Membership No. 057170

Place : Kolkata  
Date : 25 June, 2020

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

For and on behalf of Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2020

### A. Equity share capital

(₹ in Lakhs)

Particulars	Amount
As at 1 April, 2019	4,192.29
Changes in equity share capital	-
As at 31 March, 2019	4,192.29
Changes in equity share capital	(68.00)
As at 31 March, 2020	4,124.29

### B. Other equity

(₹ in Lakhs)

Particulars	Capital Redemption Reserve Account	Reserve and surplus			Other reserve FVOCI-equity investments	Equity attributable to owners of Star Cement Limited	Non controlling interest	Total
		Capital reserve	General reserve	Retained Earnings				
Balance as at 1 April, 2018	-	655.17	3,187.83	1,39,594.06	5.79	1,43,442.85	6,211.35	1,49,654.20
Profit for the year (a)	-	-	-	29,877.70	-	29,877.70	619.29	30,496.99
Payment of Final Dividend for the year 2017-18 (b)	-	-	-	(4,192.29)	-	(4,192.29)	-	(4,192.29)
Tax on Final Dividend for the year 2017-18 (c)	-	-	-	(969.06)	-	(969.06)	-	(969.06)
Other comprehensive income/(loss) (net of tax) (d)	-	-	-	(2.90)	17.55	14.65	(0.29)	14.36
<b>Total comprehensive income for the year (a + b+c+d)</b>	-	-	-	<b>24,713.45</b>	<b>17.55</b>	<b>24,731.00</b>	<b>619.00</b>	<b>25,350.00</b>
Balance as at 1 April, 2019	-	655.17	3,187.83	1,64,307.51	23.34	1,68,173.85	6,830.35	1,75,004.20
Addition during the year	68.00	-	-	-	-	68.00	-	68.00
Profit for the year (a)	-	-	-	28,554.98	-	28,554.98	175.36	28,730.34
Payment of Interim Dividend for the year 2019-2020 (b)	-	-	-	(4,124.29)	-	(4,124.29)	-	(4,124.29)
Tax on Interim Dividend for the year 2019-2020 (c)	-	-	-	(847.76)	-	(847.76)	-	(847.76)
Buyback of Shares during the year (d)	-	-	-	(10,200.00)	-	(10,200.00)	-	(10,200.00)
Other comprehensive income/(loss) (net of tax) (e)	-	-	-	(36.28)	(0.12)	(36.40)	(0.57)	(36.97)
<b>Total comprehensive income for the year (a + b+c+d+e)</b>	<b>68.00</b>	-	-	<b>13,346.65</b>	<b>(0.12)</b>	<b>13,414.53</b>	<b>174.79</b>	<b>13,589.32</b>
Balance as at 31 March, 2020	68.00	655.17	3,187.83	1,77,654.16	23.22	1,81,588.38	7,005.14	1,88,593.52

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

As per our report of even date.

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

Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Sanjay Kumar Gupta  
Chief Executive Officer

Manoj Agarwal  
Chief Financial Officer

Debabrata Thakurta  
Company Secretary

For and on behalf of Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date : 25 June, 2020

## Consolidated Cash Flow Statement for the year ended 31 March, 2020

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>A Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	32,151.71	33,461.42
<b>Adjustments for :</b>		
Depreciation and amortisation	9,150.20	10,564.48
Amortisation of right-of-use- assets	144.98	-
Unrealised Foreign Exchange Gain /( Loss)- on export receivable	(29.22)	(3.15)
(Profit)/ Loss on Sale of Property plant and equipment	(1.05)	(16.44)
Interest Income (refer note 29)	(2,838.26)	(465.43)
Finance Costs (refer note 33)	933.73	1,437.99
Fair Valuation (gain)/ Loss on investments	14.57	(11.10)
Allowance for doubtful trade receivables	2.43	(8.65)
<b>Operating Profit before working Capital changes</b>	<b>39,529.09</b>	<b>44,959.12</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade receivables	2,180.84	282.44
(Increase)/Decrease in Inventories	2,028.39	1,741.09
(Increase)/Decrease in Loans	(985.43)	(1,460.68)
(Increase)/Decrease in Other assets	14,253.13	41,103.56
Increase/(Decrease) in trade and other payables	(2,962.78)	(6,353.23)
Increase/(Decrease) in Other Liabilities and Provisions	(697.11)	(12,702.65)
<b>Cash Generated from Operations</b>	<b>53,346.13</b>	<b>67,569.65</b>
Income Tax Paid	(5,050.00)	(5,920.00)
<b>Net Cashflow from Operating Activities</b>	<b>48,296.13</b>	<b>61,649.65</b>
<b>B Cash flow from Investing Activities</b>		
(Purchase)/sale of Property plant and equipment (including CWIP)	(22,708.64)	(8,042.19)
Fixed Deposits/Margin Money Given/(Repaid)	7,548.46	(11,525.09)
Interest received	1,605.48	304.93
<b>Net Cash used in Investing Activities</b>	<b>(13,554.70)</b>	<b>(19,262.35)</b>
<b>C Cash Flow from Financing Activities</b>		
Interest paid	(960.93)	(1,437.99)
Proceeds from /(Repayment of) Long Term Borrowings / Liabilities	(101.58)	(19,704.00)
Proceeds from /(Repayment of) Short Term Borrowings	(3,919.60)	(8,456.21)
Payment of Dividend ( including Dividend Distribution Tax)	(4,972.05)	(5,161.35)
Buy back of Equity Shares	(10,200.00)	-
Payment of lease liability	27.20	-
<b>Net Cash used in Financing Activities</b>	<b>(20,126.96)</b>	<b>(34,759.55)</b>
<b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>14,614.47</b>	<b>7,627.75</b>
<b>Cash and Cash Equivalents-</b>		
Opening Balance	9,491.36	1,863.61
Closing Balance	24,105.83	9,491.36

**Note:**

Significant non-cash movement in borrowings and Property, plant and equipment during the year include new finance leases of ₹153.97 Lakhs (31 March, 2019 ₹121.34 Lakhs)

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

As per our report of even date.

For D. K Chhajer & Co.  
Chartered Accountants  
Firm Registration No.: 304138E  
Niraj K Jhunjhunwala  
Partner  
Membership No. 057170

Sanjay Kumar Gupta  
Chief Executive Officer  
Manoj Agarwal  
Chief Financial Officer

For and on behalf of Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Place : Kolkata  
Date : 25 June,2020

Debabrata Thakurta  
Company Secretary

Rajendra Chamaria  
Vice-Chairman & Managing Director  
DIN:00246171

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 1. Principles of consolidation and equity accounting

#### a) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated Balance Sheet respectively.

#### b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method, after initially being recognised at cost.

#### Equity method

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Group has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP

The accounting policies are consistently followed by the Group and changes in accounting policy are separately disclosed.

##### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

##### (iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

#### 2.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3 Foreign Currency Transactions and Balances

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Star Cement Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Group are accounted at the exchange rate prevailing on the date of the transactions. Exchange differences arising on settlement



## Notes to consolidated financial statements for the year ended 31 March, 2020

/restatement of short-term foreign currency monetary assets and liabilities of the Group 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 or loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The Group has adopted the provisions of para D13AA of Ind AS 101, "First- Time Adoption of Indian Accounting Standards" for recognizing exchange differences for long-term foreign currency monetary items as on the date of Ind AS adoption, as per the provision of para 46A of AS-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

### 2.4 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount wherever applicable) less accumulated depreciation, 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. Railway sidings the ownership of which vest with the Railway authorities are depreciated over five years.

#### Capital Work In Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

#### 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.

#### Depreciation

Depreciation on Property, plant and equipment is provided on Written Down Value (WDV) method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Office building is owned by the Company and is amortised using the Straight

Line Method over the period of lease of land on which it is constructed. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the asset's over the remaining useful life.

#### Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be 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.

### 2.5 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 Group and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of three years.

### 2.6 Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

### 2.7 Lease

#### As a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group 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-of-use assets are measured applying the Cost model. They are subsequently measured at cost, less any accumulated depreciation, adjustments for any remeasurement of the lease liabilities and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognizes

## Notes to consolidated financial statements for the year ended 31 March, 2020

lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### As a Lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

### 2.8 Government Grants and Subsidies

Government grants and subsidies are 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.

### 2.9 Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct

materials & labour and a part of manufacturing overheads based on normal operating capacity.

Cost of inventories (excluding finished good and WIP) is computed on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.10 Business combinations

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

### 2.11 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.

## Notes to consolidated financial statements for the year ended 31 March, 2020

**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.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

### 2.12 Trade receivables

Trade receivables are recognised initially at transaction price. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be presented as an expense. Subsequently, the trade receivables are measured at cost less expected credit losses. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. The Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The loss allowance is measured at an amount equal to lifetime expected credit losses.

### 2.13 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

### 2.14 Financial liabilities

#### Initial recognition and measurement

The Group recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

#### Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

#### De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### 2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### 2.16 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.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 2.18 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.

### 2.19 (A) Revenue Recognition

Revenue from sale of goods is recognised when control of the products has been transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence/ loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/(loss).

A contract liability is not recognised until the benefit is provided

Unfulfilled performance obligations

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate

performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled /disbursed till the end of a reporting period these are recorded.

### (B) Other Income

Interest income is recognised using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

### 2.20 Employee Benefits

#### 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.

#### (i) 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 of the year when the contributions to the respective funds are due.

#### (ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Re-measurement 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.

#### (iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

### 2.21 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 consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither

## Notes to consolidated financial statements for the year ended 31 March, 2020

accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred taxes are recognised in 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.

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.

### 2.22 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.23 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.

### 2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 2.25 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

### 2.26 Transition disclosure notes

(a) Adoption of a new accounting standard on Leases Ind AS 116

The Group has adopted Ind AS 116 'Leases' with effect from April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. Accordingly, the comparatives have not been retrospectively adjusted.

On transition, the adoption of this standard resulted in recognition of Right of Use Asset of ₹ 441.25 Lakhs and lease liability of ₹ 441.25 Lakhs as at April 1, 2019. At the year end the cumulative impact of applying this standard resulted in decrease in profit of ₹ 10.52 Lakhs, the result of which did not have any material impact on the profit before tax, profit for the year and earning per share for the year ended 31 March, 2020.

Ind AS 116 will result in an increase in cash inflows from operating activities and a decrease in cash inflows from financing activities on account of lease payments. The lease liabilities were discounted using the incremental borrowing rate of the company as at 1 April 2019. The Weighted Average incremental borrowing rate applied to lease liability as at April 1, 2019 is 9.04%.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. In statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous year to depreciation cost for the ROU asset and finance cost for interest accrued on lease liability. In the context of initial application, the company has exercised the option not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

## Notes to consolidated financial statements for the year ended 31 March, 2020

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020.

(₹ in Lakhs)

Particulars	Non Factory Building
Balance as at April 1, 2019	-
Recognition on account of adoption of Ind AS 116	441.25
Additions	-
Depreciation	151.23
<b>Balance as at March 31, 2020</b>	<b>290.02</b>

The depreciation expense of ₹ 144.98 Lakhs on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss. Further ₹ 6.25 Lakhs capitalized as Pre-operative expenses.

The following is the movement in lease liabilities during the year ended March 31, 2020.

(₹ in Lakhs)

Particulars	Lease Liabilities
Balance as at April 1, 2019	-
Recognition on account of adoption of Ind AS 116	441.26
Interest expense during the period	28.03
Payment of lease liabilities	167.85
<b>Balance as at March 31, 2020</b>	<b>301.44</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 3 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land & Site Development	Office Building	Factory Building	Non Factory Building	Plant & Machinery	Railway Sidding	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Tools & Tackles	Total
Gross Carrying Value												
At 1 April, 2018	9,041.29	-	14,068.96	6,170.65	72,481.78	-	404.72	143.52	217.04	2,635.20	351.17	1,05,514.32
Additions	505.77	-	204.17	108.38	1,647.25	1,557.00	29.00	41.50	55.45	721.49	40.58	4,910.58
Disposals/deductions/adjustments	-	-	-	-	601.58	-	7.93	0.29	2.81	250.37	12.05	875.02
At 31 March, 2019	9,547.05	-	14,273.13	6,279.02	73,527.46	1,557.00	425.79	184.72	269.68	3,106.32	379.70	1,09,549.88
Additions	267.61	1,203.16	16.88	386.47	972.73	2,006.90	522.39	309.90	117.73	869.74	158.93	6,832.44
Disposals/deductions/adjustments	-	-	-	-	128.06	-	0.17	17.48	-	48.19	0.51	194.41
At 31 March, 2020	9,814.66	1,203.16	14,290.01	6,665.50	74,372.12	3,563.90	948.02	477.15	387.41	3,927.86	538.12	1,16,187.91
Accumulated Depreciation												
At 1 April, 2018	-	-	2,484.63	1,379.69	21,757.63	-	155.00	73.29	136.73	918.16	156.42	27,061.56
Charge for the year	-	-	1,118.49	445.88	8,644.81	0.77	61.37	32.85	35.13	581.98	53.24	10,974.52
Disposals/deductions/adjustments	-	-	-	-	455.34	-	5.14	0.09	2.69	225.00	10.43	698.69
At 31 March, 2019	-	-	3,603.12	1,825.57	29,947.11	0.77	211.22	106.05	169.17	1,275.13	199.23	37,337.39
Charge for the year	-	47.14	1,016.62	332.83	6,949.73	282.74	170.73	133.16	75.00	612.19	55.13	9,675.27
Disposals/deductions/adjustments	-	-	-	-	67.89	-	0.16	12.92	-	41.90	0.36	123.23
At 31 March, 2020	-	47.14	4,619.74	2,158.41	36,828.94	283.51	381.79	226.30	244.18	1,845.43	254.00	46,889.42
Net Carrying Value												
At 31 March, 2019	9,547.05	-	10,670.01	4,453.45	43,580.35	1,556.23	214.57	78.67	100.51	1,831.18	180.47	72,212.49
At 31 March, 2020	9,814.66	1,156.02	9,670.27	4,507.09	37,543.18	3,280.39	566.23	250.85	143.23	2,082.43	284.12	69,298.49

#### 3.1 Intangible assets

(₹ in Lakhs)

Particulars	Intangible Assets
Gross Carrying Value	
At 1 April, 2018	47.77
Additions	11.62
Disposals/deductions/adjustments	-
At 31 March, 2019	59.39
Additions	16.42
Disposals/deductions/adjustments	-
At 31 March, 2020	75.81
Accumulated Amortisation	
At 1 April, 2018	27.02
Charge for the year	12.75
Disposals/deductions/adjustments	-
At 31 March, 2019	39.77
Charge for the year	11.95
Disposals/deductions/adjustments	-
At 31 March, 2020	51.72
Net Carrying Value	
At 31 March, 2019	19.62
At 31 March, 2020	24.09

- During the year Company has sold/ discarded of Property, plant & equipment amounting to ₹194.41 Lakhs ( 31 March, 2019 - ₹ 875.02 Lakhs )
- Depreciation for the year includes ₹ 131.71 Lakhs (31 March, 2019 - ₹ 7.83 Lakhs) capitalized as Pre-operative expenses.
- During the year ended foreign exchange gain/(loss) of ₹ 6.21 Lakhs (31 March, 2019 - ₹ (408.43 Lakhs) is adjusted to Property, plant & equipment in accordance with para 46A of AS-11(Previous GAAP) and Ind AS 101.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 4 Investments - non-current

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Investment at FVOCI ( Unquoted Equity Instruments)</b>		
<b>Ribhoi Engineering Company Private Limited</b>		
27,000 ( 27,000 as at 31 March, 2019) Equity Share of ₹ 10/- each fully paid up	25.92	26.04
<b>Investment at FVTPL</b>		
Unquoted Equity Instruments		
<b>Adonis Vyapaar Pvt. Ltd.</b>		
3,55,509 (3,55,509 as at 31 March, 2019 ) Equity Shares of ₹ 10/- each fully paid up	33.05	35.32
<b>Apanapan Viniyog Pvt. Ltd.</b>		
3,55,509 (3,55,509 as at 31 March, 2019 ) Equity Shares of ₹ 10/- each fully paid up	33.05	36.11
<b>Ara Suppliers Pvt. Ltd.</b>		
3,55,509 (3,55,509 as at 31 March, 2019 ) Equity Shares of ₹ 10/- each fully paid up	32.85	37.40
<b>Arham Sales Pvt. Ltd.</b>		
3,55,509 (3,55,509 as at 31 March, 2019 ) Equity Shares of ₹ 10/- each fully paid up	33.09	36.90
Quoted Equity Instruments		
<b>Reliance Power Limited</b>		
8,743 (8,743 as at 31 March, 2019) Equity Shares of ₹ 10/- each fully paid up.	0.11	0.99
	<b>158.07</b>	<b>172.76</b>
Aggregate Market value of Quoted investment	0.11	0.99
Aggregate amount of Unquoted investments	157.96	171.77
	<b>158.07</b>	<b>172.76</b>

### 5 Loans

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good		
Security deposits	445.86	182.06
	<b>445.86</b>	<b>182.06</b>

### 6 Other financial assets

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Balance with banks held as margin money deposits with original maturity of more than 12 months	212.05	201.69
	<b>212.05</b>	<b>201.69</b>

6.1 The bank balance disclosed above represents margin money against bank guarantee.



## Notes to consolidated financial statements for the year ended 31 March, 2020

### 7 Deferred tax assets (net)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Deferred tax liabilities		
-Borrowings	-	0.73
-Property, plant and equipment	867.10	1,002.18
Gross deferred tax liabilities	<b>867.10</b>	<b>1,002.91</b>
Deferred tax assets		
- MAT credit entitlement	29,417.67	27,725.77
- Gratuity & leave encashment	151.12	127.67
-Adjustments on Consolidation	232.02	247.58
-Trade receivable	-	5.43
Gross deferred tax assets	<b>29,800.81</b>	<b>28,106.45</b>
<b>Deferred tax assets (net)</b>	<b>28,933.71</b>	<b>27,103.54</b>

### 8 Non-current tax assets (net)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Advance income tax (net of provision for taxation of ₹ 5,292.35 Lakhs, ₹ 7,659.46 Lakhs as on 31 March,2019)	643.57	385.21
	<b>643.57</b>	<b>385.21</b>

### 9 Other non-current assets

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good		
Capital advances [ Refer note 9.1 below]	6,184.79	7,014.56
Unsecured, considered good		
Deposits with statutory authority	109.58	116.97
Unsecured, considered good		
Unammortised Expenses	0.42	0.42
	<b>6,294.79</b>	<b>7,131.94</b>

**9.1** Capital Advances includes advance against land of ₹ 3,429.84 Lakhs of Company and its subsidiaries . The Company and its subsidiaries are in the process of getting registration in its name.

### 10 Inventories

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Raw materials (including in transit- ₹ 78.70 Lakhs , 31 March, 2019: ₹1,089.05 Lakhs )	3,830.90	3,456.28
Work - in - progress	325.01	185.82
Finished goods (including in transit- ₹ 141.64 Lakhs 31 March, 2019: ₹ 376.68 Lakhs ) and Power inventory (with MeSCL) ₹ 872.16 Lakhs (31 March, 2019: ₹1,724.28 Lakhs)	4,479.24	3,828.81
Stock in Trade (including in transit as at 31 March, 2020 - ₹ Nil and 31 March, 2019 - ₹ 101.13 Lakhs )	59.65	125.66
Fuels, packing materials, etc.	13,265.31	16,784.38
Stores & Spares parts	3,730.75	3,338.30
	<b>25,690.86</b>	<b>27,719.25</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 11 Trade receivables

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Secured, considered good	4,791.05	5,550.40
Unsecured ,considered good	7,431.20	8,825.91
Unsecured ,considered doubtful	149.41	146.98
Less: Allowance for doubtful trade receivables	(149.41)	(146.98)
	<b>12,222.25</b>	<b>14,376.31</b>

### 12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Cash in hand	28.39	107.66
Stamp paper in hand	0.20	0.20
Cheques In hand	334.44	469.44
Balance with Banks		
- In current accounts/cash credit accounts	618.60	808.63
- In fixed deposit account including interest with original maturity of upto 3 months	23,124.20	8,105.43
	<b>24,105.83</b>	<b>9,491.36</b>

### 13 Bank balances (other than Note 12 above)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unpaid dividend account ( Refer note 13.1 below)	9.62	1.65
In Fixed Deposit accounts including interets with original maturity of more than 3 months and upto 12 months	3,995.00	11,509.50
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months ( Refer note 13.1 below)	86.89	128.82
	<b>4,091.51</b>	<b>11,639.97</b>

**13.1** The bank balance disclosed above represents margin money against bank guarantee and unpaid dividend account are subject to regulatory restrictions and are therefore not available for general use by the Company.

### 14 Loans

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered Good		
Other	4,317.07	3,214.99
Security deposits	176.55	464.93
	<b>4,493.62</b>	<b>3,679.92</b>

### 15 Other financial assets

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good		
Advances to a related party	36.04	36.04
	<b>36.04</b>	<b>36.04</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 16 Other current assets

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good		
-Advances to suppliers	2,504.13	5,121.66
-Advances for services & expenses	346.05	86.02
-Prepaid expenses	706.36	317.60
-Subsidies /incentives receivable from central/state governments	27,893.54	40,795.18
-Balances with statutory/government authorities	3,461.28	1,296.62
-Advances to employees	116.40	119.95
-Interest Receivable	92.12	88.02
-Income tax refund receivable	-	77.12
-Unamortized expenses	-	0.36
Unsecured, considered doubtful		
-Doubtful advances	17.37	18.46
Less: Allowance for doubtful advances	(17.37)	(18.46)
	<b>35,119.88</b>	<b>47,902.53</b>

### 17 Equity share capital

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Authorised Capital		
83,00,00,000 (83,00,00,000 as at 31 March, 2019) Equity Shares of ₹1/- each fully paid	8300.00	8300.00
Issued, Subscribed & fully Paid -up shares	4124.29	4192.29
41,24,28,997 ( 41,92,28,997 as at 31 March, 2019) Equity Shares of ₹1/- each fully paid	<b>4124.29</b>	<b>4192.29</b>

#### a Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- b During the year the Company has bought back 68,00,000 Equity Shares of ₹1 each from all the existing shareholders/ beneficial owners of the Company as on record date i.e., 5 July, 2019 on a proportionate basis through tender offer route at a price of ₹150/- each for an aggregate amount of ₹102,00,00,000/-. The payments have been made to all the eligible shareholders on 15 November, 2019, subsequently the bought back shares have been extinguished.

#### c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

(₹ in Lakhs)

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year	41,92,28,997	41,92,28,997
Issued during the year	(68,00,000)	-
<b>Outstanding at the end of the year</b>	<b>41,24,28,997</b>	<b>41,92,28,997</b>

## Notes to consolidated financial statements for the year ended March 31, 2020

### d Details of Shareholders holding more than 5% of Equity Share capital

Name of the Shareholders	No of Shares % of holding	No of Shares % of holding
Sajjan Bhajanka	4,67,21,636 11.33%	4,73,16,047 11.29%
Prem Bhajanka	3,77,18,954 9.15%	3,82,22,553 9.12%
SBI Equity Hybrid Fund	2,37,44,583 5.76%	2,42,34,751 5.78%

17.1 As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership.

## 18 Other Equity

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Capital reserves		
Opening balance	655.17	655.17
Addition/(Deduction) during the year	-	-
	655.17	655.17
Capital Redemption Reserve Account		
Balance as per last account	-	-
Addition (deduction) during the year	68.00	-
General reserve	68.00	-
Opening balance	3,187.83	3,187.83
Addition/(Deduction) during the year	3,187.83	3,187.83
Retained earnings		
Opening balance	1,64,307.51	1,39,594.06
Profit/(loss) for the year	28,554.98	29,877.70
Less : Appropriation	1,92,862.49	1,69,471.76
Payment of Final Dividend for the year 2017-18	-	4,192.29
Tax on Final Dividend for the year 2017-18	-	969.06
Payment of Interim Dividend for the year 2019-2020	4,124.29	-
Interim Dividend Distribution Tax for the year 2019-2020	847.76	-
Buyback of Shares during the year	10,200.00	-
	1,77,690.44	1,64,310.47
Items of other comprehensive income directly recognised in retained earnings		
Remeasurement net of post-employment benefit obligations (net of tax)	(36.28)	(2.90)
	1,77,654.16	1,64,307.51
Equity Instruments through Other Comprehensive Income		
Opening balance	23.34	5.79
Change in fair value of FVOCI equity instruments	(0.12)	17.55
	23.22	23.34
Total Other equity	1,81,588.38	1,68,173.85

### Nature and Purpose of Reserves

#### Capital Reserve

During amalgamation with Star Ferro and Cement Limited, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

### Capital Redemption Reserve

In accordance with section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

### FVOCI equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

## 19 Borrowings

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Term loans (secured)		
- Foreign Currency loan from banks [Refer note (a) below]	-	2,031.14
Other loans (secured)		
-Hire purchase finance from banks [Refer note (b) below]	298.60	393.54
	298.60	2,424.68
Less: Current maturities of long term borrowings	(224.42)	(2,248.92)
	<b>74.18</b>	<b>175.76</b>

Notes-

- Foreign currency loan of ₹ Nil (31 March, 2019: ₹ 2,031.14 Lakhs) was repayable in further 3 quarterly instalments ending on December, 2019. This loan has been fully repaid in June, 2019. The loan was secured by pari passu first charge on Property, plant and equipment and pari passu second charge on current assets of the company's subsidiary power plant at Lumshnong, Meghalaya. Further, the loan has been guaranteed by some of the directors of the Company.
- Hire purchase finance is secured by hypothecation of respective vehicles/equipments of the Company and its subsidiaries and is repayable within three years having varying date of payment.
- The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 20 Other financial liabilities (Incl. Lease Liabilities)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Security deposit	10,791.44	9,745.36
Lease Liabilities	169.63	-
	<b>10,961.07</b>	<b>9,745.36</b>

### 21 Employee benefit obligations

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Provision for employee benefits		
- Gratuity	434.70	277.80
	<b>434.70</b>	<b>277.80</b>

### 22 Other non current liabilities

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Deferred government grant	1,259.25	1,485.45
	<b>1,259.25</b>	<b>1,485.45</b>

### 23 Borrowings

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Working capital facilities from banks (Secured)		
- Cash credit	1,037.43	4,957.03
	<b>1,037.43</b>	<b>4,957.03</b>

- Working Capital facilities of ₹ 296.39 Lakhs (31 March, 2019: ₹ 117.85 Lakhs) from banks are secured by pari passu first charge on current assets and second pari passu charge on Property, plant and equipment of the Company's cement grinding unit at Guwahati, Assam. These working capital facilities have been guaranteed by some of the directors of the Company.
- Working capital facilities of ₹ 217.11 Lakhs (31 March, 2019: ₹ 404.81 Lakhs) from banks are secured by pari passu first charge on current assets and pari passu second charge on Property, plant and equipment of the Company's cement plant at Lumshnong, Meghalaya. These working capital facilities have been guaranteed by some of the directors of the Company.
- Working capital facilities from banks of ₹ 128.57 Lakhs (31 March, 2019: ₹ 2,084.18 Lakhs) are secured by pari passu first charge on current assets and pari passu second charge on Property, plant and equipment of the Company's subsidiary clinker unit at Lumshnong, Meghalaya.
- Working capital facilities from Banks of ₹ 395.36 Lakhs (31 March, 2019: ₹ 2,350.19 Lakhs) are secured by pari passu first charge on current assets and pari passu second charge on Property, plant and equipment of the Company's subsidiary power plants at Lumshnong, Meghalaya. Further the Working Capital facilities from Banks have been guaranteed by some of the directors of the Company.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 24 Other financial liabilities (Incl. Lease Liabilities)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Current maturities of long-term borrowings	224.42	2,248.92
Interest accrued but not due on borrowings	1.14	3.78
Retention money	257.32	196.49
Security deposit	10.15	12.63
Creditors for capital goods	992.27	443.22
Unclaimed dividend	9.62	1.65
Other liabilities	11,526.60	9,761.71
Salary and bonus to employees	314.70	401.27
Lease Liabilities	131.81	-
	<b>13,468.03</b>	<b>13,069.67</b>

- 24.1 Amount to be transferred to the Investor Education and Protection Fund shall be determined on the respective due date and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

### 25 Employee benefit obligation

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Provision for employee benefits		
-Leave encashment	355.65	301.58
-Gratuity	86.69	69.70
	<b>442.34</b>	<b>371.28</b>

### 26 Other current liabilities

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Other payables		
Statutory Liabilities	3,665.05	5,404.81
Advances from customer	1,920.91	1,288.85
Other liabilities	2.24	1.61
Current Portion of Deferred government grant	254.07	320.39
	<b>5,842.27</b>	<b>7,015.66</b>

### 27 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Provision for taxation (net of advance tax of ₹ Nil and ₹15,576.63 Lakhs for 31 March, 2019)	-	849.79
	<b>-</b>	<b>849.79</b>

### 28 Revenue from operations

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Sale of products		
Domestic	1,81,666.01	1,77,228.53
Export	2,408.43	5,332.44
	<b>1,84,074.44</b>	<b>1,82,560.97</b>
Other operating income		
Shortage recovery of cement & clinker	-	1.65
Others	311.90	541.58
	<b>1,84,386.34</b>	<b>1,83,104.20</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 29 Other income

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Interest income from financial instrument measured at amortised cost		
-Bank deposits	2,573.30	252.99
-Others	264.96	212.44
-Fair value of equity instrument	(14.57)	11.08
-Miscellaneous income	48.30	70.92
	<b>2,871.99</b>	<b>547.43</b>

### 30 Cost of materials consumed

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Inventory at the beginning of the year		
Add: Purchases	3,456.28	5,722.46
	34,271.55	32,719.68
	37,727.83	38,442.14
Less :Inventory at the end of the year	3,830.90	3,456.28
	<b>33,896.93</b>	<b>34,985.86</b>

### 31 (Increase)/ decrease in inventories

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Work in progress		
Opening stock	185.82	167.15
Closing stock	325.01	185.82
	<b>139.19</b>	<b>18.67</b>
Finished goods		
Opening stock	3,828.81	4,915.60
Closing stock	4,479.24	3,828.81
	650.43	(1,086.80)
	<b>(789.62)</b>	<b>1,068.13</b>

### 32 Employee benefit expenses

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Salaries & wages	11,904.57	10,966.50
Contribution to provident fund and other funds	368.23	309.95
Welfare expenses	383.21	364.71
	<b>12,656.01</b>	<b>11,641.16</b>

### 33 Finance costs

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Interest expense		
- On loans measured at amortised cost	758.69	1,188.19
Other finance costs	175.04	249.80
	<b>933.73</b>	<b>1,437.99</b>



## Notes to consolidated financial statements for the year ended 31 March, 2020

### 34 Depreciation and amortisation expenses

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Depreciation on Property, plant and equipment	9,138.37	10,559.56
Amortisation of right-of-use- assets	144.98	-
Amortisation of Intangible Assets	11.83	12.75
	<b>9,295.18</b>	<b>10,572.31</b>
Less: Transferred to Capital work in Progress	-	7.83
	<b>9,295.18</b>	<b>10,564.48</b>

34.1 Depreciation is net off amortisation of Government Grant of ₹ 404.74 Lakhs as at 31 March, 2020 and ₹ 414.84 Lakhs as at 31 March, 2019.

34.2 Amortisation of right-of-use- assets of ₹ 6.25 Lakhs (31 March, 2019 - ₹ Nil) capitalized as Pre-operative expenses.

### 35 Other expenses

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Consumption of Stores & Spares	1,282.97	1,012.72
Packing Materials	5,026.25	4,791.76
Power & Fuel	36,190.55	25,872.73
Repairs & Maintenance		
- Building	270.25	268.54
- Plant & Machinery	1,312.21	2,484.09
- Others	446.15	296.66
Heavy Vehicle / Equipment Running Expenses	694.62	1,130.96
Travelling and Conveyance	914.99	757.63
Insurance	223.57	186.59
Rent, Rates & Taxes	639.42	786.27
Research & Development Expenses	64.62	42.94
Charity & Donation	840.97	1,051.60
Miscellaneous Expenses	3,161.48	2,994.33
CSR Expenses [Refer Note 43(iii) ]	655.70	613.70
Advertisement & Publicity	2,653.96	1,980.13
Outward Freight Charges	35,303.89	36,294.91
Sales Promotion Expenses	875.40	919.19
Commission & Incentives	1,475.40	1,387.34
	<b>92,032.40</b>	<b>82,872.09</b>

### 36 Income tax expense

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
(a) Current tax		
Current tax on profits for the year	5,339.75	6,825.41
<b>Total current tax expense</b>	<b>5,339.75</b>	<b>6,825.41</b>
(b) Deferred tax		
Deferred tax benefit	(1,915.13)	(3,860.99)
<b>Total deferred income tax expense/(benefit)</b>	<b>(1,915.13)</b>	<b>(3,860.99)</b>
(c) Income tax for earlier years	(3.25)	-
<b>Tax expenses</b>	<b>3,421.37</b>	<b>2,964.43</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 36.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Profit before income tax expense	32,151.71	33,461.42
<b>Tax at the Indian tax rate of 34.944% (31 March, 2019 - 34.944%)</b>	<b>11,235.09</b>	<b>11,692.76</b>
Item not deductible / taxable under tax	(21.38)	8.91
Effect of allowances/ tax holidays for tax purpose	(7,446.98)	(8,769.63)
Difference in tax rates of subsidiaries	(56.70)	(128.44)
Others	(285.41)	148.72
Effect of tax on exempt income	-	12.11
Income tax for earlier years	(3.25)	-
<b>Tax expenses</b>	<b>3,421.37</b>	<b>2,964.43</b>

**36.2** The Tax Rate used for the year 2019-20 and 2018-19 reconciliation above is the Corporate tax rate of 34.944% ( 30%+ surcharge @12% + education cess @4% ) payable on taxable profits under the Income Tax Act, 1961.

### 37 Earnings per share

#### (a) Basic earnings per share

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Basic earnings per share attributable to the Equity Shareholders (in ₹)	6.85	7.13

#### (b) Diluted earnings per share

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Basic earnings per share attributable to the Equity Shareholders (in ₹)	6.85	7.13

#### (c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Profit attributable to equity holders used in calculating basic earnings per share	28,554.98	29,877.70
Profit attributable to equity holders used in calculating diluted earnings per share	28,554.98	29,877.70

#### (d) Weighted average number of equity shares used as the denominator

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	41,66,65,063	41,92,28,997
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	41,66,65,063	41,92,28,997

### 38 Disclosure as per Ind AS 19, 'Employees Benefit' as regards defined benefit scheme (Gratuity)

#### (a) Leave encashment

Under leave encashment scheme, the Group allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Leave obligations not expected to be settled within the next 12 months	310.19	181.90

## Notes to consolidated financial statements for the year ended 31 March, 2020

### (b) Post-employment obligations

#### i) Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with the insurance companies.

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>1 April 2018</b>	548.77	(285.91)	262.85
Current service cost	79.02	-	79.02
Interest expense/(income)	40.84	(22.01)	18.83
<b>Total amount recognised in profit or loss</b>	<b>119.86</b>	<b>(22.01)</b>	<b>97.85</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	4.88	(2.15)	2.73
Actuarial (gain)/loss from change in financial assumptions	9.77	-	9.77
Actuarial (gain)/loss from unexpected experience	(7.95)	-	(7.95)
<b>Total amount recognised in other comprehensive income</b>	<b>6.70</b>	<b>(2.15)</b>	<b>4.55</b>
Employer contributions/ premium paid	-	(17.76)	(17.76)
Benefit paid	(36.63)	36.63	-
<b>31 March, 2019</b>	<b>638.70</b>	<b>(291.20)</b>	<b>347.50</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2019</b>	638.70	(291.20)	347.50
Current service cost	96.57	-	96.57
Interest expense/(income)	42.87	(20.04)	22.82
<b>Total amount recognised in profit or loss</b>	<b>139.44</b>	<b>(20.04)</b>	<b>119.39</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.42)	(1.42)
Actuarial (gain)/loss from change in financial assumptions	52.15	-	52.15
Actuarial (gain)/loss from unexpected experience	4.70	-	4.70
<b>Total amount recognised in other comprehensive income</b>	<b>56.85</b>	<b>(1.42)</b>	<b>55.44</b>
Employer contributions/ premium paid	-	(0.91)	(0.91)
Benefit paid	(42.91)	42.91	-
<b>31 March, 2020</b>	<b>792.09</b>	<b>(270.66)</b>	<b>521.42</b>

#### (ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Discount rate	7.75%	7.75%
Expected return on plan asset	7.75%	7.75%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

## Notes to consolidated financial statements for the year ended 31 March, 2020

### (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			
	31-Mar-20		31-Mar-19	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(722.49)	666.18	(313.97)	505.24
Salary growth rate (-/+ 1%)	664.66	(403.44)	223.54	(74.21)
Withdrawal rate (-/+ 1%)	613.96	(430.27)	203.97	(317.17)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (iv) The major categories of plan assets

The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies.

### (v) Risk exposure

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

#### Investment risk:

The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies.

#### Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

#### Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the life expectancy of the plan participants will increase the plan liability.

### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March, 2020 are ₹ 130.46 Lakhs.

The weighted average duration of the defined benefit obligation is 5.76 years (31 March, 2019: 5.14 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	Less than a year	Between 2- 5 years	Over 5 years
31 March, 2020	86.69	213.83	328.95
31 March, 2019	69.69	73.02	290.14

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 39 Capital management

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

#### (b) Dividends paid

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March, 2018 of ₹ 1 per share (31 March, 2017 - Nil)	-	4,192.29
Interim dividend for the year ended 31 March, 2020 of ₹ 1 per share (31 March, 2019 - Nil)	4,124.29	-

### 40 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Current</b>		
First charge		
Trade receivables	12,222.25	14,376.31
Inventories	25,690.86	27,719.25
Cash and cash equivalents	24,105.83	9,491.36
Bank balances	4,091.51	11,639.97
Other financial assets	4,529.66	3,715.95
Other current assets	35,119.88	47,902.53
<b>Total current assets</b>	<b>1,05,759.99</b>	<b>1,14,845.37</b>
<b>Non Current</b>		
First charge		
Property, plant and equipment( including Capital work-in-progress)	93,053.32	79,643.27
<b>Total non-currents assets</b>	<b>93,053.32</b>	<b>79,643.27</b>
<b>Total assets pledged as security</b>	<b>1,98,813.31</b>	<b>1,94,488.64</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 41 Financial instruments by category

(₹ in Lakhs)

Particulars	31-Mar-20			31-Mar-19		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	132.15	25.92	-	146.72	26.04	-
Security deposits	-	-	622.41	-	-	646.98
Balance with banks held as margin money deposits with original maturity of more than 12 months	-	-	212.05	-	-	201.69
Advances recoverable from a related party	-	-	36.04	-	-	36.04
Trade receivables	-	-	12,222.25	-	-	14,376.31
Cash and cash equivalents	-	-	24,105.83	-	-	9,491.36
Other bank balances	-	-	4,091.51	-	-	11,639.97
Loan	-	-	4,317.07	-	-	3,214.99
	<b>132.15</b>	<b>25.92</b>	<b>45,607.16</b>	<b>146.72</b>	<b>26.04</b>	<b>39,607.34</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,336.02	-	-	7,381.70
Security deposit	-	-	10,801.59	-	-	9,757.99
Trade payables	-	-	9,578.39	-	-	12,541.18
Interest accrued but not due on borrowings	-	-	1.14	-	-	3.78
Retention money	-	-	257.32	-	-	196.49
Creditors for capital goods	-	-	992.27	-	-	443.22
Lease Liabilities	-	-	301.44	-	-	-
Unclaimed dividend	-	-	9.62	-	-	1.65
Other liabilities	-	-	11,526.60	-	-	9,761.71
Salary and bonus to employees	-	-	314.70	-	-	401.27
	<b>-</b>	<b>-</b>	<b>35,119.09</b>	<b>-</b>	<b>-</b>	<b>40,488.99</b>

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the financial instruments is determined using discounted cash flow analysis.

#### (iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

Particulars	31-Mar-20			31-Mar-19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	0.11	-	157.96	0.99	-	171.77
<b>Total financial assets</b>	<b>0.11</b>	<b>-</b>	<b>157.96</b>	<b>0.99</b>	<b>-</b>	<b>171.77</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### (iv) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	31-Mar-20		31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits and margin money	657.91	657.91	383.74	383.74
<b>Total financial assets</b>	<b>657.91</b>	<b>657.91</b>	<b>383.74</b>	<b>383.74</b>
<b>Financial liabilities</b>				
Borrowings	298.60	318.03	393.54	396.71
Security deposits	10,791.44	10,791.44	9,745.36	9,745.36
Lease Liabilities	301.44	301.44	-	-
<b>Total financial liabilities</b>	<b>11,391.48</b>	<b>11,410.91</b>	<b>10,138.90</b>	<b>10,142.07</b>

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

### (v) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

## 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.

(₹ in Lakhs)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (₹).	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring the performance of investments

### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### i) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Group receives security deposit from its customers which mitigates the credit risk. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lakhs)

Particulars	Not past due	Less than 6 Months	More than 6 Months and upto 1 years	More than 1 years	Expected credit losses	Net carrying amount of trade receivables
As on 31 March, 2020	6,039.58	4,460.07	279.94	1,592.06	(149.41)	12,222.25
As on 31 March, 2019	10,182.62	2,415.54	751.19	1,173.95	(146.99)	14,376.31

### ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Group's policy. Counterparty credit limits are reviewed by the Companies' Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Loans are given to body corporate as per the Group policy and the receipt of repayment are reviewed on regular basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as at 31 March, 2020 and 31 March, 2019 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:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	19,662.57	16,342.97
	19,662.57	16,342.97

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.



## Notes to consolidated financial statements for the year ended 31 March, 2020

### Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

Contractual maturities of financial liabilities 31 March, 2020*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	1,261.85	74.18	-	-	1,336.03
Interest on borrowing	100.62	4.73	-	-	105.35
Trade payables	9,578.39	-	-	-	9,578.39
Lease Liabilities	152.70	100.21	88.73	-	341.64
Other payables	13,110.66	1.45	0.65	-	13,112.76
<b>Total financial liabilities</b>	<b>24,204.22</b>	<b>180.57</b>	<b>89.37</b>	<b>-</b>	<b>24,474.17</b>

(₹ in Lakhs)

Contractual maturities of financial liabilities 31 March, 2019*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	7,208.44	174.70	1.06	-	7,384.20
Interest on borrowing	543.97	6.75	0.01	-	550.73
Trade payables	12,541.18	-	-	-	12,541.18
Other payables	10,816.97	-	-	-	10,816.97
<b>Total financial liabilities</b>	<b>31,110.56</b>	<b>181.45</b>	<b>1.07</b>	<b>-</b>	<b>31,293.08</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 deals with an international customer and is therefore exposed to foreign exchange risk (primarily with respect to USD) arising from this foreign currency transactions. In view of low proportion of export/import, as compared to the overall operations, the exposure of the Group to foreign exchange risk is also not considered to be material.

Further, foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

#### Foreign currency risk exposure

The Group's exposure to foreign currency (USD) risk at the end of the reporting period expressed in INR are as follows:-

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Financial assets	597.41	842.56
Financial liabilities	-	(2,033.64)
<b>Net exposure to foreign currency risk</b>	<b>597.41</b>	<b>(1,191.08)</b>

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	31-Mar-20	31-Mar-19
<b>Sensitivity</b>		
INR appreciates by 10% (2019: 10%)	(59.74)	119.11
INR depreciates by 10% (2019: 10%)	59.74	(119.11)

\* Holding all other variables constant

## Notes to consolidated financial statements for the year ended 31 March, 2020

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March, 2020 and 31 March, 2019, the Company's borrowings at variable rate were denominated in INR and USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (a) Interest rate risk exposure

##### On Financial Liabilities:

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Particulars	₹ in Lakhs	
	31-Mar-20	31-Mar-19
Variable rate borrowings	1,037.43	6,990.66
Fixed rate borrowings	298.60	393.54
<b>Total borrowings</b>	<b>1,336.03</b>	<b>7,384.20</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	
	31-Mar-20	31-Mar-19
Interest expense rates – increase by 50 basis points (2019: 50 bps)	(5.19)	(34.95)
Interest expense rates – decrease by 50 basis points (2019: 50 bps)	5.19	34.95

\* Holding all other variables constant

### (iii) Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group's exposure to equity securities price risk arises from investments held by the Company in equity securities and classified in the Balance Sheet as at fair value through profit or loss and other comprehensive income. The Group has investment in quoted and unquoted equity securities. Investment is done in accordance with the limits set by the Group. The Company's Board of Directors reviews and approves all investment decisions.

#### Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Group's equity;

Particulars	₹ in Lakhs	
	Impact on total comprehensive income	
	31-Mar-20	31-Mar-19
Increase by 5% (2019: 5%)	7.90	8.64
Decrease by 5% (2019: 5%)	(7.90)	(8.64)

\* Holding all other variables constant

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 43 -(i) - Contingent liability & commitments

(₹ in Lakhs)

Sl. No	Particulars	31-Mar-20	31-Mar-19
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	363.00	5,499.11
2	Claims against the company not acknowledge as debts – Excise/ VAT/royalty etc.	29,980.95	4,488.11
3	Bank Gurantees issued by bank	1,406.68	114.77
4	Duty saved under EPCG scheme	452.14	639.01
5	Letters of credit issued by bank	517.40	1,992.16

**Note:** Based on legal opinion / decisions in similar cases, the Management believes that the Group has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

(a) Supreme Court vide its Judgement dated 22.04.2020 in the matter of M/s V.V.F Limited & others versus the Union of India has reversed the Judgement of the Hon'ble Supreme Court in the matter of M/s V.V.F Limited & others Vs the Union of India based on which Shillong Bench and Guwahati Bench of Hon'ble High Court of Guwahati has passed the order in favour of the Company and its subsidiaries and company along with its subsidiaries has claimed refund of 50% of differential Excise duty against furnishing of surety bond. The Company along with its subsidiaries is preferring an appeal before the appropriate Forum against the above judgement. It is to be noted that misuse of benefit granted by some unscrupulous assessee cannot be made a ground to deny the benefits to genuine manufacturers and cannot be termed as in public interest. It can also not be said that the subsequent notifications are only clarificatory in nature and are not hit by doctrine of promissory estoppel as denial of promised benefits will hurt the genuine manufacturer who have changed their position on the basis of promise by the state. Based on the legal advice obtained by the company and its subsidiaries from External Counsel as well as its own assessment there is every likelihood of reversal of the said judgement and appeal will be allowed and hence no reversal of income amounting to ₹ 6,456.17 Lakhs which was previously booked in the books of accounts is required.

(b) On the basis of the direction of the High Court of Meghalaya dated 30.08.2018 following the decision of the Supreme Court dated 10.11.2017 passed in SRD Nutrients Pvt. Ltd. Vs. Commissioner of Central Excise, Guwahati, Company along with its subsidiary has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 810.22 Lakhs in previous years. However, the Apex court vide its order dated 06.12.2019 have taken a contrary view in the matter of M/S Unicorn Industries Vs Union of India and Others. Based on the later judgement a demand letter was raised by the department to refund back the amount granted. As the order dated 30.08.2018, has attained its finality and the refund was granted accordingly, the Group has preferred an appeal before the appropriate Forum against the above demand letter. Meghalaya High Court has stayed the said demand vide its order dated 16-06-2020. Based on the legal advice obtained by the Group from External Counsel as well as its own assessment there is every likelihood that the said demand will be quashed and therefore no provision have been taken in the books of accounts.

(c) In respect of demand notice dated 19th February, 2020 received by the Company and its two subsidiary companies from Director of Mineral resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹ 25,681.91 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya.

The Group has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Group has neither been issued a show-cause nor any opportunity of being heard was given to the Group before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Group before passing the impugned order dated 17.01.2020 which in 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 Internal Report. Therefore, there is every likelihood of the Demand Notice being set aside. The Group is preferring an appeal before appropriate forum and accordingly, no provisions has been made in the accounts.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 43 -(ii) - Borrowing cost of foreign loan

The Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited have exercised the option under in paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the period ended on 31 March, 2020 of the Company and its subsidiaries is ₹ 375.01 Lakhs, (31 March, 2019 : ₹ 429.38 Lakhs).

### 43 -(iii) - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects. A CSR Committee has been formed by Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the Group during the year is ₹ 628.27 Lakhs (2018-19 : ₹ 476.96 Lakhs)

Amount spent during the year on:

		(₹ in Lakhs)	
Sl. No	Particulars	2019-20	2018-19
1	Education	266.00	431.55
2	Preventive healthcare and Sanitation	82.56	49.49
3	Rural Development Programs	133.01	69.92
4	Flood Relief	56.33	18.04
5	Environment & Biodiversity	14.95	-
6	Sports Upliftment	22.61	-
7	Livelihood & Skill Building	80.24	44.70
		<b>655.70</b>	<b>613.70</b>

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 44 Related party disclosures

A	Names of the related parties	Nature of relationship
	<b>I. Enterprises influenced by KMP</b>	
	Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
	Profound Cement Work Ltd (PCWL) (Formerly known as Star India Cement Limited)	Enterprises influenced by KMP
	Nefa Udyog (NU)	Enterprises influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
	<b>II. Key Management Personnel</b>	
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Kumar Bhajanka	Director of the Company and Managing Director in Subsidiary
	Mr. Pankaj Kejriwal	Managing Director in Subsidiary
	Mr. Ghanshyam Agarwal	Managing Director in Subsidiary
	Mr. Sanjay Kumar Gupta	Chief Executive Officer
	Mr. Manoj Agarwal	Chief Financial Officer
	Mr. Debabrata Thakurta	Company Secretary of the Company and in Subsidiary
	Mr. Amit Kumar Singh	CFO in Subsidiary
	Mr. Bishal Kumar Agarwal	CFO in Subsidiary
	Mr. Vivek Lahoti	CFO in Subsidiary
	Mr. Biswajit Singh	Company Secretary in Subsidiary
	Mr. Mohit Mahana	Company Secretary in Subsidiary
	<b>III. Relatives of Key Management Personnel</b>	
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mrs. Yash Bala Bhajanka	Wife of Mr. Prem Kumar Bhajanka, Director
	Mrs. Renu Chamaria	Wife of Mr. Rajendra Chamaria, Vice Chairman & Managing Director

## Notes to consolidated financial statements for the year ended 31 March, 2020

Details of transactions between the Company and related parties and the status of outstanding balance :

(₹ in Lakhs)

B	Types of Transactions	Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2019-20	2018-19	2019-20	2018-19
	<b>1. Purchase Transactions</b>				
	SCFL	-	18.47	-	-
	CPIL	3.93	1.61	-	-
	<b>2. Sale Transactions</b>				
	CPIL	15.93	34.09	-	-
	SCFL	-	1,598.14	-	-
	<b>3. Services Received</b>				
	NU	5.57	4.56	-	-
	Mrs.Yash Bala Bhajanka	11.38	12.30	-	-
	CPIL	116.24	-	-	-
	<b>4. Purchase of Capital Goods</b>				
	CPIL	2,348.02	-	-	-
	SCFL	55.89	-	-	-
	<b>5. Loan &amp; advances repaid</b>				
	Mr. Prem kumar Bhajanka	-	-	-	2,100.00
	Mr. Sanjay Agarwal	-	-	-	2,500.00
	Mr. Sajjan Bhajanka	-	-	-	2,500.00
	<b>6. Interest Paid</b>				
	Mr. Prem Kumar Bhajanka	-	-	-	19.17
	Mr. Sajjan Bhajanka	-	-	-	23.77
	Mr.Sanjay Agarwal	-	-	-	22.82
	<b>7. Remuneration Paid</b>				
	Mr. Sajjan Bhajanka	-	-	198.00	198.00
	Mr.Rajendra Chamaria	-	-	304.20	237.00
	Mr.Sanjay Agarwal	-	-	198.00	198.00
	Mr. Sanjay Kumar Gupta	-	-	189.77	137.09
	Mr.Rahul Chamaria	-	-	60.00	50.00
	Mr. Sachin Chamaria	-	-	60.00	50.00
	Mr. Manoj Agarwal	-	-	71.31	64.77
	Mr. Debabrata Thakurta	-	-	26.45	23.05
	Mr. Prem Kumar Bhajanka	-	-	198.00	198.00
	Mrs. Renu Chamaria	-	-	-	33.08
	Mr. Amit Kumar Singh	-	-	9.82	8.09
	Mr. Bishal Kumar Agarwal	-	-	16.29	11.58
	Mr. Biswajit Singh	-	-	4.86	3.27
	Mr. Pankaj Kejriwal	-	-	48.30	48.30
	Mr. Vivek Lahoti	-	-	39.25	35.51
	Mr. Mohit Mahana	-	-	10.89	9.41
	<b>8. Balance Outstanding</b>				
	(a) Share Capital / Securities Premium				
	SCFL	3,373.50	3,373.50	-	-
	(b) Creditors				
	Mrs.Yash Bala Bhajanka	-	-	0.97	-
	NU	2.64	4.71	-	-
	(c) Advance : (Given)				
	PCWL	36.04	36.04	-	-
	(d) Guarantees Obtained				
	Mr. Sajjan Bhajanka	-	-	15,950.00	21,983.63
	Mr. Rajendra Chamaria	-	-	12,800.00	16,800.00
	Mr. Sanjay Agarwal	-	-	12,800.00	16,800.00
	Mr. Prem Kumar Bhajanka	-	-	14,600.00	20,633.63

## Notes to consolidated financial statements for the year ended 31 March, 2020

### Key management personnel compensation

(₹ in Lakhs)

C	Particulars	31 Mar 20	31 Mar 19
	Short-term employee benefits	1,315.14	1,205.15
	Post-employment benefits *	-	-
	Long-term employee benefits*	-	-
	<b>Total compensation</b>	<b>1,315.14</b>	<b>1,205.15</b>

\* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.

### 45 Segment Report

(₹ in Lakhs)

SL. No.	Particulars	2019-20				2018-19			
		Power	Cement	Unallocated	Total	Power	Cement	Unallocated	Total
<b>A</b>	<b>Revenue (Gross)</b>								
	External Sales	80.52	1,84,305.82	-	1,84,386.34	2,121.88	1,80,982.32	-	1,83,104.20
	Inter Segment Sales	12,156.26	54,410.06	-	66,566.32	11,451.81	47,044.99	-	58,496.80
	Elimination	(12,156.26)	(54,410.06)	-	(66,566.32)	(11,451.81)	(47,044.99)	-	(58,496.80)
	<b>Total Revenue (Gross)</b>	<b>80.52</b>	<b>1,84,305.82</b>	<b>-</b>	<b>1,84,386.34</b>	<b>2,121.88</b>	<b>1,80,982.32</b>	<b>-</b>	<b>1,83,104.20</b>
<b>B</b>	<b>Results</b>								
	Segment Result	1,188.90	29,065.34	-	30,254.24	2,226.71	32,169.72	-	34,396.43
	Unallocated Income/ (Expenses) (Net)	-	-	2,831.20	2,831.20	-	-	502.99	502.99
	Interest & Finance Charges (Net)	-	-	(933.73)	(933.73)	-	-	(1,437.99)	(1,437.99)
	Operating Profit	-	-	-	<b>32,151.71</b>	-	-	-	33,461.42
	Tax Expenses	-	-	-	3,421.37	-	-	-	2,964.43
	Net Profit (before non controlling interest)	-	-	-	<b>28,730.34</b>	-	-	-	30,496.99
	<b>Other Information</b>								
<b>C</b>	<b>Total Assets</b>								
	Segment Assets	22,418.02	1,83,767.92	-	2,06,185.94	25,217.84	1,76,924.01	-	2,02,141.85
	Unallocated Corporate/Other Assets	-	-	29,629.53	29,629.53	-	-	27,543.62	27,543.62
<b>D</b>	<b>Total Liabilities</b>								
	Segment Liabilities	1,845.62	41,133.12	-	42,978.74	6,525.26	43,047.97	-	49,573.23
	Unallocated Corporate/Other Liabilities	-	-	118.92	118.92	-	-	915.75	915.75
<b>E</b>	<b>Capital Expenditure</b>	5.53	22,975.22	-	22,980.75	367.87	5,092.21	-	5,460.08
<b>F</b>	<b>Depreciation</b>	1,440.13	7,855.05	-	9,295.18	1,558.33	9,006.15	-	10,564.48

#### Note: Segment information

(a) Business Segments: The business segments have been identified on the basis of the products of the Group. Operating segment of the Company is consistent with reporting made to Chief Operating Decision Maker (CODM) i.e. Board of Directors. Accordingly, the Group has identified following business segments.

Cement            Cement and Cement Clinker

Power            Power

(b) Geographical Segments : The entire revenue of the Group has been generated by way of domestic & export sales.

(₹ in Lakhs)

Sl. No	Geographical Location	2019-20	2018-19
(i)	India	1,81,977.91	1,77,771.76
(ii)	Nepal	2,403.81	5,139.08
(iii)	Bhutan	4.62	193.36
	<b>Total</b>	<b>1,84,386.34</b>	<b>1,83,104.20</b>

(c) There are no revenue from transactions with a single external customer amounting to 10 per cent of an Group's revenue during the current and previous year.

## Notes to consolidated financial statements for the year ended 31 March, 2020

### 46 Additional Information pursuant to Schedule III of the Companies Act, 2013

SL No	Name of the Company	Net Assets (total assets minus total liabilities)		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
		2019-20		2019-20		2019-20		2019-20	
		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	56.47%	1,08,820.06	76.12%	21,870.68	58.42%	(21.60)	76.15%	21,849.08
	<b>Indian Subsidiaries</b>								
1	Megha Technical & Engineers Private Limited	11.85%	22,840.51	0.90%	258.59	18.52%	(6.85)	0.88%	251.74
2	Star Cement Meghalaya Limited	24.55%	47,315.58	21.74%	6,244.84	19.56%	(7.23)	21.74%	6,237.61
3	Meghalaya Power Limited	3.49%	6,717.58	0.64%	184.01	1.63%	(0.60)	0.64%	183.41
4	NE Hills Hydro Limited	0.01%	21.82	0.00%	(0.26)	0.34%	(0.12)	0.00%	(0.38)
	<b>Foreign Subsidiary</b>								
1	Star Century Global Cement Private Limited	0.00%	(2.88)	-0.01%	(2.88)	-	-	-0.01%	(2.88)
	<b>Non-Controlling Interest</b>	3.63%	7,005.14	0.61%	175.36	1.55%	(0.57)	0.61%	174.79
	<b>TOTAL</b>	<b>100%</b>	<b>1,92,717.81</b>	<b>100%</b>	<b>28,730.34</b>	<b>100%</b>	<b>(36.97)</b>	<b>100%</b>	<b>28,693.37</b>

### 47 Interest in other entities

#### (a) Subsidiaries

The group's subsidiaries as at 31 March, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31 Mar 20 %	31 Mar 19 %	31 Mar 20 %	31 Mar 19 %	
Megha Technical & Engineers Private Limited	India	100%	100%	0%	0%	Manufacture of cement
Star Cement Meghalaya Limited	India	100%	100%	0%	0%	Manufacture of clinker
Meghalaya Power Limited	India	51%	51%	49%	49%	Generation of power
NE Hills Hydro Limited	India	100%	100%	0%	0%	Generation of power
Star Century Global Cement Private Limited	Myanmar	100%	100%	0%	0%	Export of Clinker

#### (b) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that is material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Lakhs)

Summarised balance sheet	31-Mar-20	31-Mar-19
Current assets	5,138.91	6,732.83
Current liabilities	1,753.92	6,442.22
<b>Net current assets</b>	<b>3,384.99</b>	<b>290.61</b>
Non-current assets	18,222.08	19,562.41
Non-current liabilities	1,753.92	5,845.99
<b>Net non-current assets</b>	<b>16,468.16</b>	<b>13,716.42</b>
<b>Net assets</b>	<b>19,853.15</b>	<b>14,007.03</b>
Accumulated NCI	7,005.14	6,830.35



## Notes to consolidated financial statements for the year ended 31 March, 2020

(₹ in Lakhs)

Summarised statement of profit and loss	31-Mar-20	31-Mar-19
Revenue	12,232.80	13,566.93
Profit for the year	359.37	1,269.16
Other comprehensive income	(1.18)	(0.60)
Total comprehensive income	<b>358.19</b>	<b>1,268.56</b>
Profit allocated to NCI	<b>175.36</b>	<b>619.29</b>

(₹ in Lakhs)

Summarised statement of profit and loss	31-Mar-20	31-Mar-19
Cash flows from operating activities	3,382.31	1,126.48
Cash flows from/(used in) investing activities	(23.96)	(246.67)
Cash flows (used in) financing activities	(3,454.45)	(884.81)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(96.10)</b>	<b>(5.00)</b>

**48.** The operations of Company and its subsidiaries were impacted, due to temporary shutdown of all plants following nationwide lockdown announced by the Government of India in view of COVID-19, pandemic. The Company and its subsidiaries have made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its property, plant and equipment, loans and other assets, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, it is expected to recover the carrying amount of these assets. The management does not foresee any risks in the Group ability to continue as going concern and meeting its liabilities as and when they fall due. It will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

**49.** Previous year's figures have been regrouped and/or rearranged wherever necessary, to confirm to current year classification.

**50.** The financial statements are approved by the audit committee at its meeting held on 25 June,2020 and by the Board of Directors on the same date.

**51.** Notes to the Consolidated Financial Statements comprised of information relevant for the Group.

For and on behalf of Board of Directors

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

**Niraj K Jhunjhunwala**  
Partner  
Membership No. 057170

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

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

Place : Kolkata  
Date : 25 June,2020

**Debabrata Thakurta**  
Company Secretary

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

**STAR CEMENT LIMITED**

CIN: L26942ML2001PLC006663

Regd. Office: Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

Corporate Office: 'Century House', 2nd floor, P 15/1, Taratala Road, Kolkata-700 088

Tel: 03655 – 278215/16/18, Fax: 03655-278217, Email: investors@starcement.co.in

Website: www.starcement.co.in

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of Star Cement Limited will be held on Tuesday, 29th September, 2020 at 02:00 P.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2020 and the Reports of Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend @100% (i.e., Re.1/- per equity share of Re.1/- each) declared and paid for the Financial year 2019-20.
3. 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. Amit Kiran Deb as an Independent 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 the provisions of Sections 149, 150, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Amit Kiran Deb (DIN: 02107792) who was appointed as an Additional Director in the capacity of Independent Director, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect

of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Amit Kiran Deb's candidature for the office of Director and as such who holds office upto the date of Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 1st April, 2020 upto 31st March, 2025 and that approval be and is hereby also accorded for his continuation as an Independent Director after he attains the age of 75 years during the tenure of his directorship with the Company as aforesaid;

**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 authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Ratification of Remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021**

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 ₹65,000 (Rupees Sixty Five Thousand only) plus applicable taxes and re-imbursalment of out of pocket expenses incurred, if any to be paid to M/s. Sanjib Das & Associates, Cost Accountants (Firm Registration No. 100751), re-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, 2021;

**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."

#### 6. Approval for Material Related Party Transactions

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) (“Listing Regulations”), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹1,100 crores in a Financial Year entered or to be entered into by the Company with Star Cement Meghalaya Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms’ length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2020-21;

**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.”

#### 7. Approval for Material Related Party Transactions

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) (“Listing Regulations”), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the

Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹150 crores in a Financial Year entered or to be entered into by the Company with Meghalaya Power Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms’ length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2020-21;

**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.”

#### 8. Approval for Material Related Party Transactions

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) (“Listing Regulations”), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹100 crores in a Financial Year entered or to be entered into by the Company with Megha Technical and Engineers Private Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms’ length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2020-21;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby accorded to the Board of

Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

#### 9. Approval for Material Related Party Transactions

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the

Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹50 crores in a Financial Year entered or to be entered into by the Company with Shyam Century Ferrous Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2020-21;

**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: 11th August, 2020

Place: Kolkata

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

#### NOTES:

- 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 11th August, 2020 considered that the special businesses as specified in the Notice convening the meeting under Item Nos. 4 to 9 being considered unavoidable, be transacted at the Nineteenth Annual General Meeting.
- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") 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") and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Tuesday, 29th September, 2020 at 02:00 P.M. (IST). The deemed venue for the Nineteenth Annual General Meeting shall be the Registered office of the Company.
- 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 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.
- Pursuant to Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board

or Governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csmdshah@gmail.com with a copy marked to evoting@nsdl.co.in

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Details as required in Regulations 26(4) and 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. Pursuant to Section 124 of the Companies Act, 2013, the unpaid dividends that are due to transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
2013-14 (Interim)*	11.03.2014	20.04.2021
2015-16 (Interim)*	09.06.2015	18.07.2022
2017-18 (Final)	31.07.2018	06.09.2025
2019-20 (Interim)	06.02.2020	14.03.2027

\* Dividends were declared by erstwhile Star Ferro and Cement Limited, since merged with the Company vide order of the Honorable National Company Law Tribunal (NCLT), Guwahati Bench dated 07.02.2017.

Members who have not encashed their dividend warrants/drafts pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 30 days before they are due for transfer to the said fund.

9. Pursuant to Regulation 12 of SEBI (LODR) payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars. Please submit bank details along with an original cancelled cheque or Xerox copy of the cheque to our Registrars in case you hold shares in physical form and to your Depository Participants in case shares held in demat. This will facilitate to make payment of dividend as per aforesaid Regulation as and when declared. Members holding shares in the physical form are requested to notify changes in address, email id, bank mandate and bank particulars, if any, under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers. Members holding shares in electronic form may update such information with their respective Depository Participants.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers in case the shares are held by them in physical form.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.
12. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in prescribed Form SH-13 with the RTA. Nomination form can be downloaded from the Company's website: www.starcement.

7. The Board of Directors of the Company at its Board Meeting held on 6th February, 2020, had declared an interim dividend of Re. 1/- (exclusive of corporate dividend tax) per Equity Share of Re. 1/- each fully paid up of the Company, which was paid to those Members whose names appeared on the Company's Register of Members, at the close of business hours on 18th February, 2020 and in respect of Equity shares held in electronic form, to all those beneficial owners as on 18th February, 2020 whose details have been furnished by NSDL and CDSL for this purpose.

The Board has not recommended any further dividend for the year ended 31st March, 2020 and as such the aforesaid interim dividend be treated as final dividend.

co.in under the section 'Investors'. In respect of shares held in Electronic/Demat form, Members may please contact their respective Depository Participants.

13. In terms of SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in dematerialized form with effect from 01st April, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form. With regard to the same, the Company's Registrar and Share Transfer Agent has already sent three reminder letters to the shareholders during the Financial year 2018-19, for updating their PAN and Bank Account details and for dematerializing their physical holdings of securities. A guidance note on procedure for dematerialization of shares held in physical form is also placed on the website of the Company under 'Investors' section. Three reminder letters were also sent to the shareholders to claim their unclaimed shares, if any.
14. Members seeking any information with regard to the financial statements or any other matter to be placed at the 19th AGM, can send the same at Company's email address at investors@starcement.co.in from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number on or before 20th September, 2020 by 05:00 p.m. (IST). The same will be replied by the Company suitably.
15. Electronic copies of the documents referred to in the Notice of the 19th AGM of the Company and the Explanatory Statement shall be available for inspection in the "Investors" section of the website of the Company at www.starcement.co.in
16. Members may note that in terms of Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, no further ratification of appointment of Auditors would be required by the Members at the every interim Annual General Meeting. Hence, said item has not been included in the notice convening the Annual General Meeting.
17. In compliance with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report for 2019-20 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 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) at investors@starcement.co.in or to M/s. Maheswari Datamatics Pvt. Ltd. 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 dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates and self-attested copies of the PAN for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or its RTA for assistance in this regard.
19. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive)**.
20. During the 19th 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.
21. 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 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting and e-voting during the AGM to all the Members to enable them to cast their vote electronically in respect of business to be transacted at the Meeting, for which the Company has engaged the services of National Securities Depository Limited (NSDL). The Members holding shares either in physical form or in dematerialized form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
22. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, 22nd September, 2020** 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.

23. The Companies (Management and Administration) Rules, 2014, as amended provides that the electronic voting period shall remain open for atleast three days and shall close at 5 p.m. (IST) on the date preceding the date of the AGM. Accordingly, the remote e- voting period shall commence at **9.00 a.m. (IST) on Friday, 25th September, 2020 and will end at 5.00 p.m. (IST) on Monday, 28th September, 2020.** The Company has appointed Md. Shahnawaz, Practicing Company Secretary (Membership no. ACS 21427 and Certificate of Practice no. 15076), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting.
24. The Scrutinizer shall after the conclusion of Annual General Meeting, first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall submit the consolidated scrutinizer's report, not later than 48 hours of conclusion of the Meeting, to the Chairman or any other person authorized by the Board. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e., [www.starcement.co.in](http://www.starcement.co.in) and also be displayed on the Notice board of the Company at its registered office and on the website of NSDL i.e. [www.nsdl.co.in](http://www.nsdl.co.in) immediately after the results are declared. The results shall simultaneously be communicated to the Stock Exchanges.
25. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Tuesday, 29th September 2020.

## 26. 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:

### A. The process and manner for remote e-voting are as under:

#### Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
  3. A new screen will open. You will have to enter your User ID, your Password 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.
  4. Your User ID details will be as per details given below:
    - a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
    - b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
    - c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the Company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details 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 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. In case you have not registered your email address with the Company/ Depository, please follow instructions 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.nsdl.com](http://www.evoting.nsdl.com).
  - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio

number, your PAN, your name and your registered address.

- 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 on NSDL e-Voting system.**

- i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  - ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  - iii) Select the 'EVEN' (E-Voting Event Number) of Star Cement Limited.
  - iv) Now you are ready for e-voting as 'Cast Vote' page opens.
  - v) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
  - vi) Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - vii) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - viii) Corporate and Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer by an e-mail at [cmsdshah@gmail.com](mailto:cmsdshah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - ix) 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 <https://www.evoting.nsdl.com> to reset the password.
- B. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Members and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

co.in. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013; Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in); Tel: 91 22 2499 4545/ 1800-222-990.

**C. 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) along with self-attested scanned copy of PAN card, self-attested scanned copy of any document (such as AADHAAR card / latest Electricity Bill / latest Telephone/Mobile Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding, by email to the Company at [investors@starcement.co.in](mailto:investors@starcement.co.in) or the RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card and self-attested scanned copy of AADHAAR card by email to the Company at [investors@starcement.co.in](mailto:investors@starcement.co.in) or the RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE 19TH AGM THROUGH VC/OAVM ARE AS UNDER:**

- a. Members will be able to attend the 19th AGM through VC/OAVM facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under Shareholders/Members login by using the remote e-Voting credentials and selecting the EVEN for the Notice Company's 19th AGM. The link for VC/OAVM will be available in shareholder/members 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 of the 19th AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b. Members may join the Meeting through Laptops for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches.

- c. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

Members will be allowed to attend the AGM through VC / OAVM allowing participation of 1000 Members on first come, first served basis. The large shareholders (i.e. 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. may be allowed to attend the meeting without restriction on account of First-come –first-served principle.

- d. Members seeking any information with regard to the financial statements or any other matter to be placed at the 19th AGM, can send the same at Company's email address at investors@starcement.co.in from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number on or before 20th September, 2020 by 05:00 p.m. (IST). The same will be replied by the Company suitably.
- e. 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 25th September, 2020 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 19th 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.
- f. 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.

- g. 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.
- h. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 19th AGM through VC/ OAVM facility.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE 19TH AGM ARE AS UNDER:**

- a. Members may follow the same procedure for e-Voting during the 19th AGM as mentioned above for remote e-Voting.
- b. Only those Members, who will be present in the 19th AGM through VC/OAVM facility and have not cast 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 19th AGM.
- c. The Members who have cast their vote by remote e-Voting prior to the 19th AGM may also participate in the 19th AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again. If a member casts vote again, then voting done through remote e-voting shall prevail and vote cast at the Meeting shall be treated as "INVALID".
- d. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 19th AGM shall be as hereunder:
- I. Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or amitv@nsdl.co.in or at telephone number: +91-22-24994360.
  - II. Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone number +91-22-24994545.

Registered Office:  
 Vill: Lumshnong, P.O.: Khaliehriat  
 Dist.: East Jaintia Hills  
 Meghalaya - 793210  
 Date: 11th August, 2020  
 Place: Kolkata

By Order of the Board  
 For **Star Cement Limited**

**Debabrata Thakurta**  
*Company Secretary*

## EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

### Item No. 4

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Board Meeting held on 6th February, 2020 appointed Mr. Amit Kiran Deb (DIN: 02107792) as an Additional Director (Category – Independent) of the Company with effect from 1st April, 2020 for a term upto 31st March, 2025, subject to regularization/approval of the shareholders at the ensuing Annual General Meeting (AGM).

In terms of Section 161(1) of the Companies Act, 2013, Mr. Amit Kiran Deb, holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as Director, not liable to retire by rotation, subject to the approval of the shareholders. Notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit have been received from a Member, signifying his intention to propose the appointment of Mr. Amit Kiran Deb as Director of the Company.

Mr. Amit Kiran Deb has given his consent to act as an Independent Director of the Company and has furnished necessary declarations to the Board of Directors that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Further as per the declaration received by the Company, Mr. Amit Kiran Deb is not disqualified under section 164 of the Act. The directorships held by him is within the limits as prescribed under the Act and Regulation 25 of the Listing Regulations. Mr. Amit Kiran Deb has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Amit Kiran Deb fulfills the conditions specified in the Companies Act, 2013 read with rules made thereunder and the Listing Regulations for his appointment as an Independent 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. Amit Kiran Deb is a Master Degree holder in Political Science from the University of Allahabad and a Retired IAS Officer. He has held the position of Joint Secretary of Government of India and Secretary-Education & Social Welfare Department of State Government of Tripura and he was Chief Secretary of State of West Bengal.

Electronic copy of the draft letter of appointment of Mr. Amit Kiran Deb as an Independent Director of the Company setting out the

terms and conditions of appointment and notice under Section 160(1) of the Companies Act, 2013 shall be available in the Investor section of the website of the Company at [www.starcement.co.in](http://www.starcement.co.in).

Further, Mr. Amit Kiran Deb is currently 72 years of age and during his tenure for a period of 5 years from 1st April, 2020 for a term upto 31st March, 2025, he will be attaining the age of 75 years. As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on May 09, 2018, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect.

Keeping in view, the vast expertise and knowledge, the Board considers that the continued association of Mr. Amit Kiran Deb would be of immense benefit to the Company even though he will cross the age of 75 years during his tenure of his directorship and it is desirable to avail services of Mr. Amit Kiran Deb, as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Amit Kiran Deb, as Independent Director, as a Special Resolution for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Amit Kiran Deb for his appointment, are concerned or interested, financially or otherwise, in Resolutions set out at item no. 4.

### Item No. 5

The Board of Directors, on the recommendation of Audit Committee, has approved at their meeting held on 25th June, 2020, the re-appointment of M/s. Sanjib Das & Associates, Cost Accountants (Firm Registration No. 100751) as the Cost Auditors of the Company to conduct the Cost Audit of the Company for the Financial Year 2020-21 at a remuneration of ₹65,000/- plus applicable taxes and re-imbursment 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. 5 of the Notice for approval by the Shareholders.

## Item No. 6

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose,

a transaction is considered to be material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Star Cement Meghalaya Limited, subsidiary company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Star Cement Meghalaya Limited
<b>Nature of relationship</b>	Subsidiary of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mr. Sanjay Agrawal, Mr. Rajendra Chamaria, Mr. Prem Kumar Bhajanka Mr. Pankaj Kejriwal, Mr. Pramod Kumar Shah and Mr. Santanu Ray may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹1,100 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mr. Sanjay Agrawal, Mr. Rajendra Chamaria, Mr. Prem Kumar Bhajanka, Mr. Pankaj Kejriwal, Mr. Pramod Kumar Shah and Mr. Santanu Ray 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. 6 of the Notice for approval of the shareholders.

## Item No. 7

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Meghalaya Power Limited, subsidiary company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Meghalaya Power Limited
<b>Nature of relationship</b>	Subsidiary of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka Mr. Pramod Kumar Shah and Mr. Amit Kiran Deb may deemed to be related by virtue of being common Directors and Mr. Debabrata Thakurta may deemed to be related by virtue of being common Key Managerial Personnel.
<b>Estimated Transaction Value</b>	₹150 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Pramod Kumar Shah and Mr. Amit Kiran Deb, Directors of the Company and Mr. Debabrata Thakurta, Key Managerial Personnel of the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the shareholders.

### Item No. 8

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Megha Technical and Engineers Private Limited, subsidiary company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Megha Technical and Engineers Private Limited
<b>Nature of relationship</b>	Wholly Owned Subsidiary of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Pankaj Kejriwal, Mr. Santanu Ray and Mr. Pramod Kumar Shah may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹100 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Pankaj Kejriwal, Mr. Santanu Ray and Mr. Pramod Kumar Shah none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution..

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of the shareholders.

### Item No. 9

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are

not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of

the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Shyam Century Ferrous Limited, Enterprise influenced by Key Managerial Personnel (KMP), may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Shyam Century Ferrous Limited
<b>Nature of relationship</b>	Enterprise influenced by KMP
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mrs. Plistina Dkhar, Mr. Santanu Ray and Mr. Pramod Kumar Shah may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹50 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mrs. Plistina Dkhar, Mr. Santanu Ray and Mr. Pramod Kumar Shah none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of the shareholders.

Registered Office:  
 Vill: Lumshnong, P.O.: Khaliehriat  
 Dist.: East Jaintia Hills  
 Meghalaya - 793210

Date: 11th August, 2020  
 Place: Kolkata

By Order of the Board  
 For **Star Cement Limited**

**Debabrata Thakurta**  
*Company Secretary*

## ANNEXURE TO ITEM NO. 3 & 4 OF THE NOTICE

Details of Director seeking appointment/ re-appointment/ any change in terms at the forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 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. Rajendra Chamaria	Mr. Amit Kiran Deb
DIN	00246171	02107792
Age (Years)	62	72
Nationality	Indian	Indian
Qualification	Commerce Graduate	Master Degree in Political Science and IAS (Retired)
Experience (years)	36	47
Expertise in special functional Area	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance	Administration, General management, Accounts & Finance, Risk, Board procedures and Governance
Date of First Appointment on the Board of the Company	01.04.2004	01.04.2020
Terms & condition of re-appointment	Vice Chairman and Managing Director; Liable to retire by rotation	Independent Director for a period of 5 years; Not Liable to retire by rotation
Details of remuneration sought to be paid and remuneration last drawn (₹)	Remuneration last drawn: ₹25,35,000/- per month	Nil
Shareholding in the Company [Equity share of face value ₹1/- each ] (as at 31st March, 2020)	1,98,91,358	Nil
Relationship between the Directors inter se and other Key Managerial Person	None	None
No. of Board Meetings attended during the year	5	Nil
List of Directorship held in other Companies (excluding Foreign Company)	1. Star Cement Meghalaya Limited	1. Century Plyboards (India) Ltd. 2. India Power Corporation Limited 3. Hiranmaye Energy Limited 4. Emami Limited 5. Meghalaya Power Limited 6. Skipper Limited 7. India Power Corporation (Bodhgaya) Limited 8. Bengal Ambuja Housing Development Ltd. 9. B & A Limited
Membership/ Chairmanships of Committees of Boards of other Companies.  (only Audit Committee and Stakeholders' Relationship Committee have been considered)	Nil	<b>Audit Committee:</b> <b>Chairman:</b> 1. India Power Corporation Limited  <b>Member:</b> 1. Skipper Limited 2. Emami Limited 3. Hiranmaye Energy Limited 4. Meghalaya Power Limited 5. India Power Corporation (Bodhgaya)Limited 6. Bengal Ambuja Housing Development Ltd.  <b>Stakeholders' Relationship Committee:</b> <b>Member:</b> 1. Skipper Limited

## 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.









# Corporate Information

CIN: L26942ML2001PLC006663

## Board of Directors

**Mr. Sajjan Bhajanka**  
Chairman & Managing Director

**Mr. Rajendra Chamaria**  
Vice Chairman & Managing Director

**Mr. Sanjay Agarwal**  
Managing Director

**Mr. Prem Kumar Bhajanka**  
Director

**Mr. Pankaj Kejriwal**  
Director

**Mr. Mangilal Jain** *[upto 31-03-2020]*  
Director

**Mr. Pramod Kumar Shah**  
Director

**Mr. Santanu Ray**  
Director

**Mr. Amit Kiran Deb** *[w.e.f 01-04-2020]*  
Director

**Ms. Plistina Dkhar**  
Director

**Ms. Ibaridor Katherine War**  
Director

## Auditors

M/s. D. K. Chhajer & Co.  
Chartered Accountants  
Nilhat House,  
11, R. N. Mukherjee Road, Kolkata – 700001

## Chief Executive Officer

**Mr. Sanjay Kumar Gupta**

## Chief Financial Officer

**Mr. Manoj Agarwal**

## Company Secretary

**Mr. Debabrata Thakurta**

## Bankers & FI's

Indian Bank  
DBS Bank India Ltd.  
State Bank of India  
HDFC Bank  
ICICI Bank

## Registrars & Share Transfer Agents

Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata - 700001

## Registered Office

Vill.: Lumshnong, P. O. Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya – 793210

## 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 - 782402

## Siliguri Plant (Upcoming)

Chaurangi More, Teyyature Road,  
Patkata Colony, Mohit Nagar,  
Jalpaiguri, West Bengal - 735102

## Corporate Office

'Century House', 2nd Floor  
P-15/1, Taratala Rd, 2nd Floor, CPT Colony  
Taratala, Kolkata, West Bengal 700088  
Phone : 033 22484169/70  
Fax : 033 22484168  
Email : investors@starcement.co.in  
Website : www.starcement.co.in

## Guwahati Office

Mayur Garden, 2nd Floor  
Opp. Rajiv Bhawan  
G. S. Road  
Guwahati – 781005

## Delhi Office

281, Deepali  
Pitampura  
New Delhi – 110034



**Star Cement Limited**

**Registered Office**

Vill.: Lumshnong, P.O.: Khaliehriat,  
Dist.: East Jaintia Hills, Meghalaya - 793 210

**Corporate Office**

'Century House', 2nd Floor, P-15/1, Taratala Road  
2nd Floor, CPT Colony, Taratala, Kolkata - 700088

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

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