



CREATING A BETTER TOMORROW



STAR CEMENT LIMITED

An Integrated Cement Company

NSE Ticker: STARCEMENT

| BSE Ticker: 540575


| Bloomberg Ticker: STRCEM:IN

Q3 Presentation | December 2022

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KNOW US BETTER
CORPORATE OVERVIEW

STAR CEMENT AT A GLANCE



As one of the most renowned and leading names among Eastern India's cement manufacturers, Star Cement enjoys a strong brand recall. The Company caters to significant cement markets across the region and functions across its six manufacturing units spread in the Eastern India region.

5.7 MTPA

AGGREGATE CEMENT CAPACITY

2.8 MTPA

AGGREGATE CLINKER CAPACITY

1,600+

TOTAL DEALER NETWORK

12,000+

TOTAL RETAILER NETWORK

3,100+

WORKFORCE

ZERO DEBT

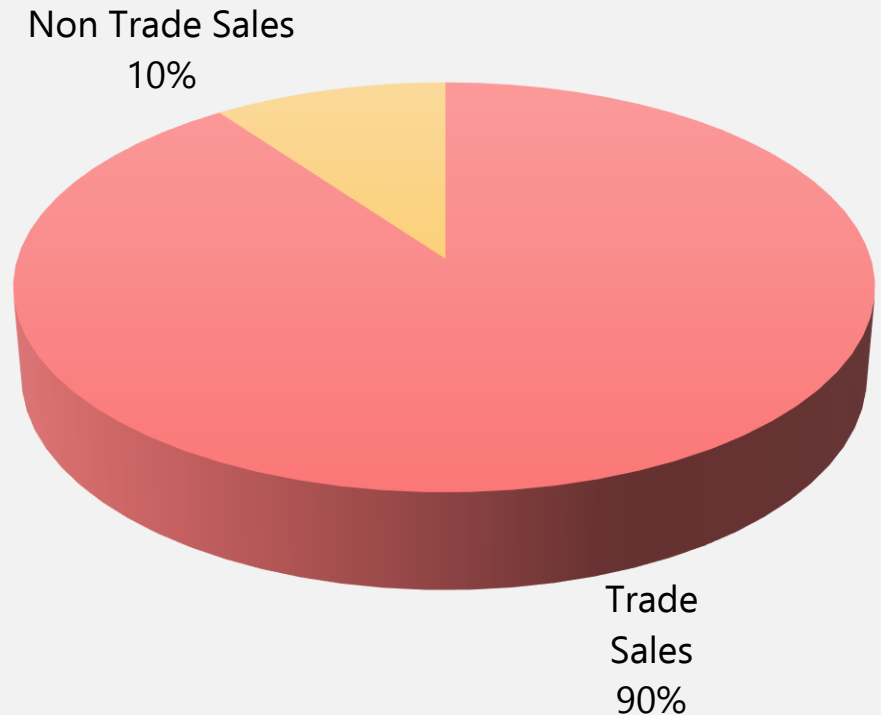
COMPANY

HIGHEST

MARKET SHARE IN NORTH-EASTERN REGION

ONE OF THE
COUNTRY'S FINEST
LIMESTONE RESERVES

SALES MIX (YTD DEC'22)



ORDINARY PORTLAND CEMENT (OPC)



OPC 43:

Suitable for construction where the grade of concrete is upto M-30.

OPC 53:

Provides high strength and durability to structures with optimum particle size distribution and superior crystallized structure.

PORTLAND POZZOLANA CEMENT (PPC)



PPC:

Ideal for:

- Mass concreting works
- Masonry mortars and plastering

It is resistant to chemical attacks, more durable, improves strength and viscosity, has lower permeability, is water-resistant, and has better cohesiveness.

ANTI RUST CEMENT (ARC)



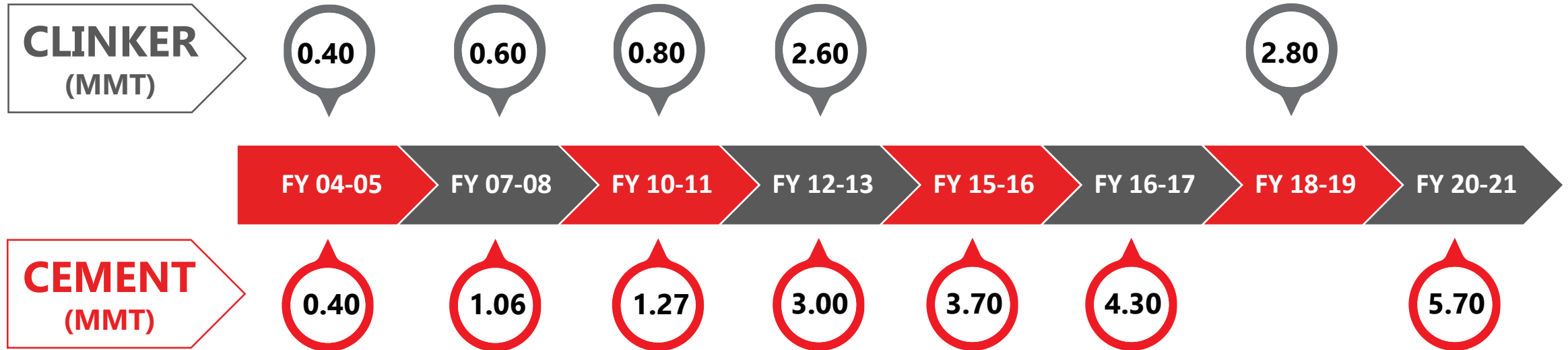
ARC:

A highlight of Star Cement's innovative product line and a robust R&D, ARC imparts anti-rust and anti-corrosive properties in the reinforcing bars for higher durability and service life of the structure.

A JOURNEY THAT SPEAKS OF EXPANSION



Our growth is reflected in how our manufacturing capacities have expanded through the years. Here is a year-wise snapshot summarizing our progress and additions to our cement and clinker capacities.





BETTER PROSPECTS & POSSIBILITIES

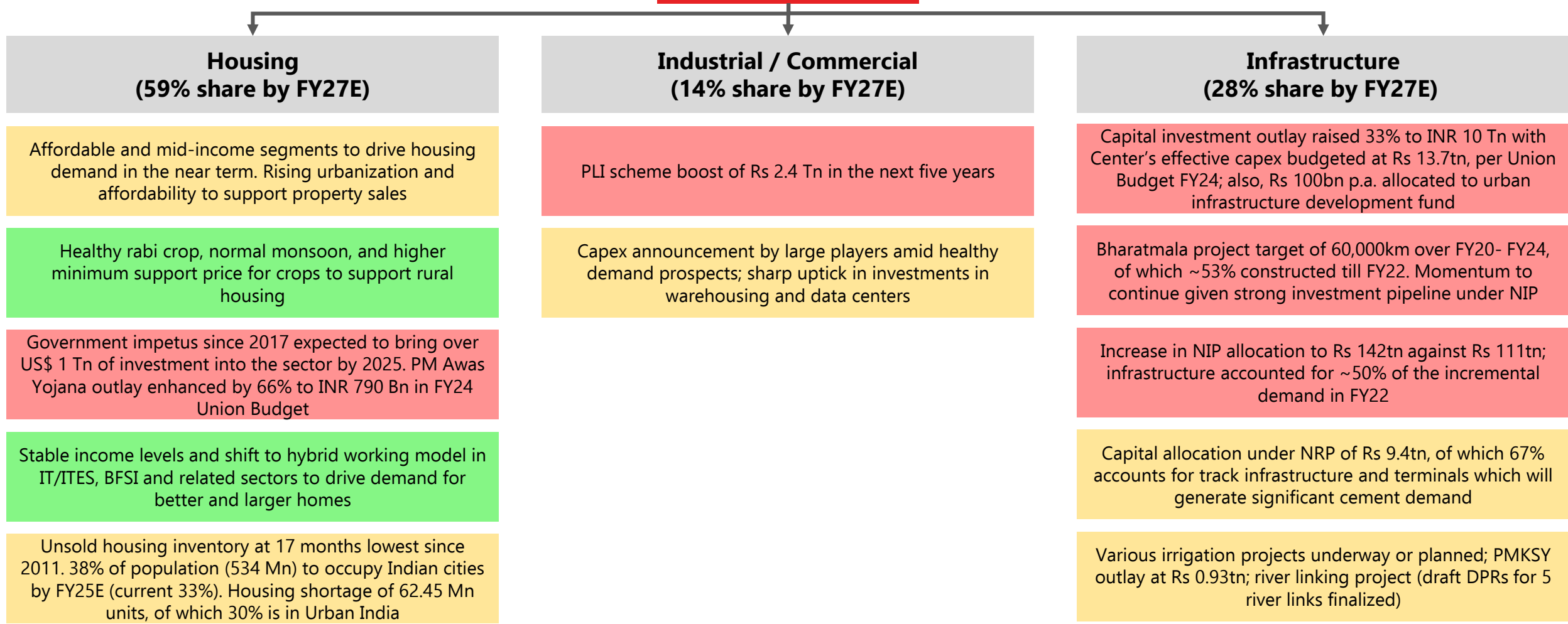
INDIAN CEMENT INDUSTRY



DEMAND TO BE DRIVEN BY INFRASTRUCTURE SEGMENT IN NEXT 2 YEARS



CEMENT DEMAND



Source: Sector Report : Cement, BOB Capital Markets Ltd, 02 February 2023

Low Impact

Medium Impact

High Impact

KEY GOVERNMENT INFRASTRUCTURE INITIATIVES



National Infrastructure Pipeline (NIP)

The NIP for FY19-FY25 has been allocated Rs 111 Tn in funding and is a government exercise to provide infrastructure to citizens by improving project preparation and attracting investments into the sector. In Mar'22, projects worth Rs 44 Tn, accounting for 40% of the total outlay, were under implementation and projects worth Rs 22 Tn (20% of the outlay) were under development

Roads and Highways

The Roads Ministry has a target of building 60,000 kms of world-class national highways at a rate of 40 km per day by FY24. To expedite construction, the government rolled out a series of initiatives in FY22, viz. (i) the National Monetisation Pipeline (NMP), (ii) Bharatmala Pariyojana, and (iii) changes in the hybrid annuity model (HAM). A further Rs 1.3tn has been allocated to National Highways Authority of India (NHAI).

Northeast development

To boost development of India's northeastern region, a budgetary allocation of Rs 26.6 bn was made for the Ministry of Development of Northeastern Region in Union Budget FY23, including ~Rs 4bn for the Central Pool of Resources for the northeastern region and Sikkim. Additionally, Rs 2.2bn was awarded to schemes of the North East Council, ~Rs 7bn to North East Road Sector Development Scheme, and Rs 6.7bn to the North East Special Infrastructure Development Scheme (NESIDS).

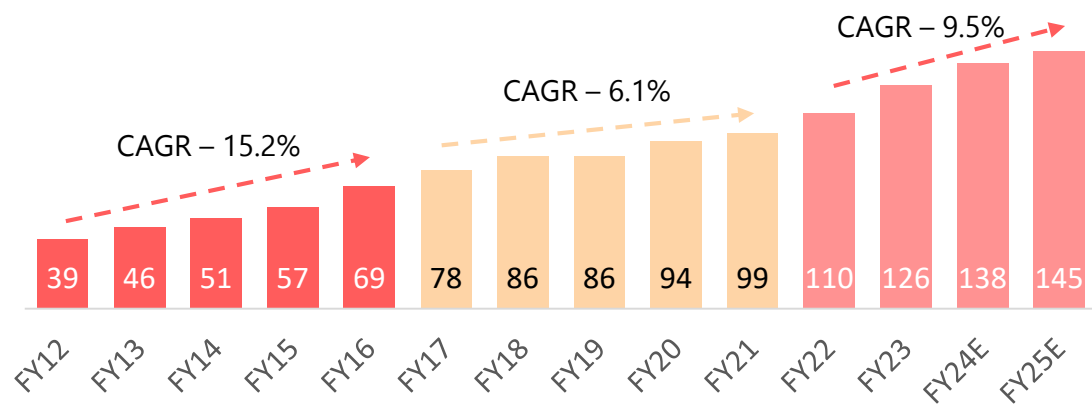
Affordable housing

An outlay of Rs 480bn (US\$ 6.4bn) has been allotted under Pradhan Mantri Awas Yojana (PMAY) which aims to construct affordable housing for the urban poor – a segment that has been conferred infrastructure status by the government, implying additional tax benefits

CAPACITY EXPANSION ACROSS REGIONS (MN TONS)

Region	FY19	FY22	FY25E
NORTH	161.9	170.5	186.4
SOUTH	106.9	114.4	131.4
EAST	86.4	110.4	145.4
WEST	65.4	81.0	89.4
CENTRAL	58.4	73.4	95.4
TOTAL	479.0	550.0	648.0

CAPACITY : EAST - STRONG DEMAND PUSHES STRONGER SUPPLY



Source: Sector Report : Cement, BOB Capital Markets Ltd, 02 February 2023

OPPORTUNITIES IN THE EASTERN REGION

- Regionally, the government's efforts to build up underdeveloped states in the eastern (Bihar, Jharkhand, Chhattisgarh, Odisha) and north-eastern belt has boosted offtake in these markets. Thus, incremental demand is shifting towards the eastern region (24% from 21%), likely replacing the south over FY19-FY26.
- It is expected that the cement demand in eastern region would grow at ~10% CAGR over FY22-FY25.
- The availability of limestone reserves in the states of Chhattisgarh (eastern) and Madhya Pradesh (central) has further fueled the expansion drive in these regions. Satellite production units in demand hubs (Uttar Pradesh, Odisha, Bihar, West Bengal and Jharkhand), in and across the clinker clusters has boosted the capacity expansion drive in the eastern region.

Government impetus towards infrastructure to aid faster growth in the eastern market



WHAT MAKES US BETTER

STRENGTHS & STRATEGIES



OUR CURRENT MANUFACTURING CAPABILITIES

2.8 MTPA

CLINKER PRODUCTION
CAPACITY

5.7 MTPA

CEMENT PRODUCTION
CAPACITY

51 MW

POWER PRODUCTION
CAPACITY

6

MANUFACTURING
UNITS

LARGEST MANUFACTURER

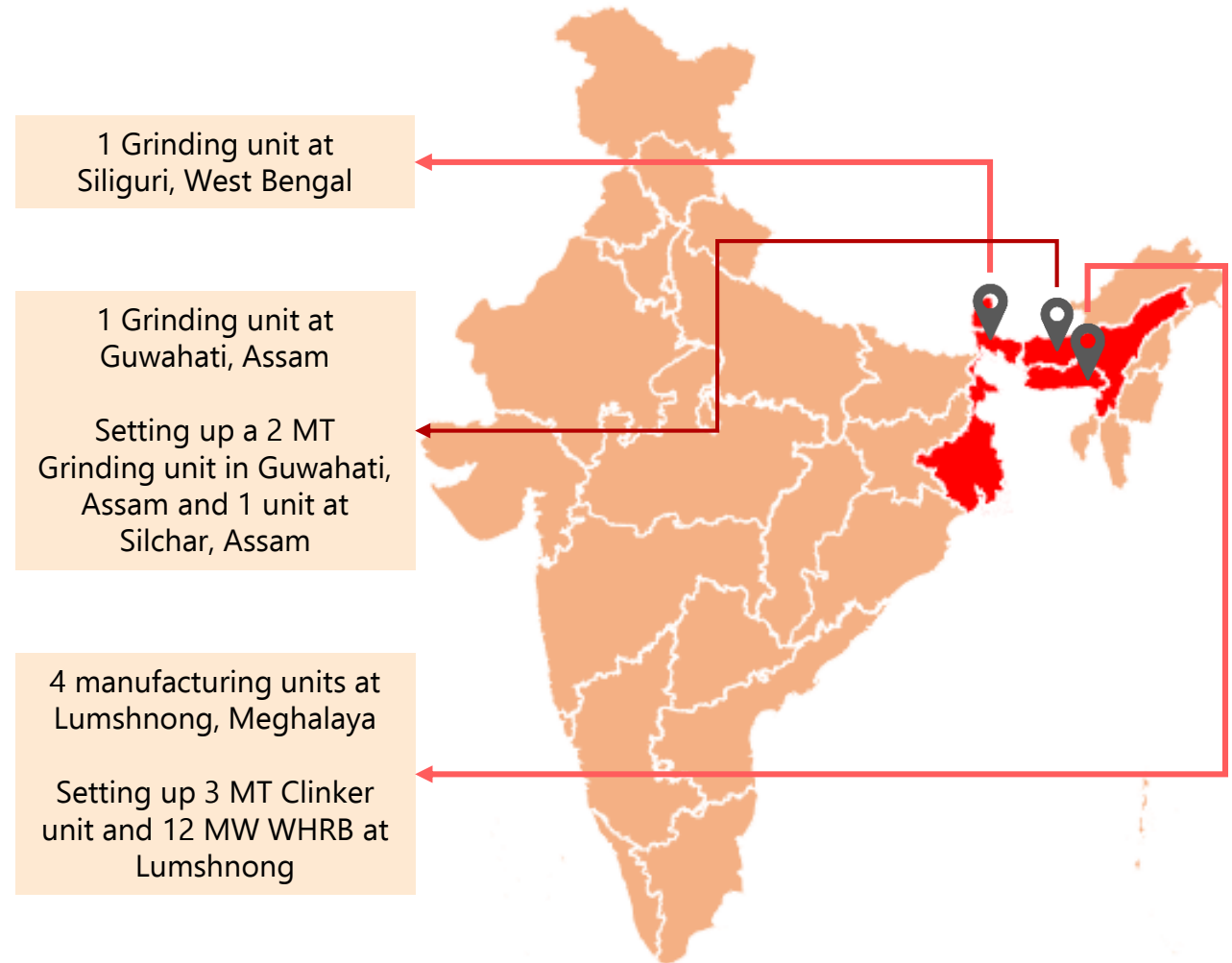
OF CEMENT IN NORTH- EAST INDIA

OUR LONG-TERM PLANS

NEXT FIVE-YEAR PLANS:

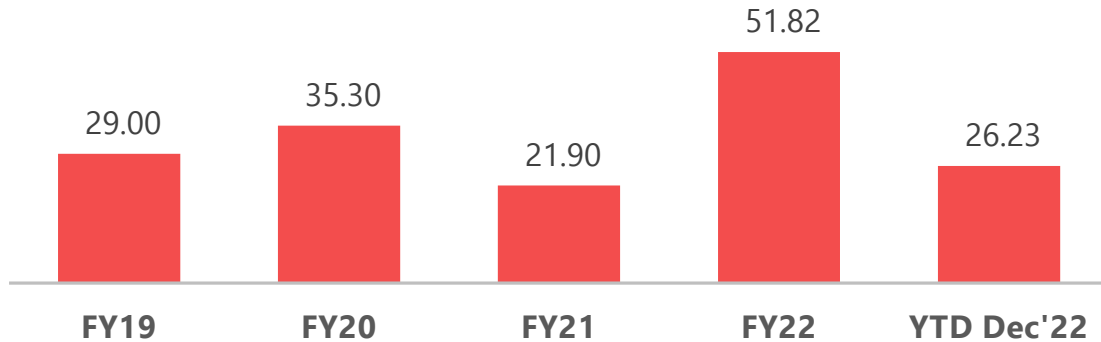
- Setting up a 3 MT clinker unit with 12 MW WHRB at Lumshnong: ₹ 1,300 Crores
- Setting up a 12 MW WHRB at Lumshnong: ₹ 150 Crores
- Setting up two grinding units in Assam: ₹ 800 Crores

OUR CURRENT MANUFACTURING UNITS & CAPEX PLAN



ANNUAL ADVERTISING & BRAND PROMOTION INVESTMENT

ADVERTISEMENT AND BRANDING EXPENSES (₹ IN CR)



₹ 9.41 Crores

Invested in branding and advertisement in the Q3 FY 22-23

Awards Received

- Rotary RMB Connect 2021 award with Economic Times & Rotary RMB Connect 2022 award with The Telegraph T2 for invaluable service & excellence in Cement Industry category for two consecutive years.
- SCALE 2019, 2020 & 2021 (Supply Chain & Logistics Excellence).

AKSHAY KUMAR, AS OUR BRAND AMBASSADOR, BOOSTED OUR BRAND VISIBILITY



As part of its brand outreach program, the company has associated with Akshay Kumar, one of the biggest stars of the Indian Film Industry, as the brand ambassador of the company. Association of Akshay Kumar has uplifted the brand perception and has created a positive impact on the saliency of Star Cement as a brand.

In Q3, the company initiated a digital campaign called "Happy Pic Lucky Pic Contest" for its Facebook and Instagram users. The campaign achieved a total engagement of more than 2 lakh users and has helped to increase the company's Facebook likes by 17% and Instagram followers by 2700%.



STAR SAATHI APP FOR DEALERS (1800+ USERS):

Strengthening the channels of distribution, the app facilitated flexibility in placement tracking and payment, providing ease of service to our dealers

STAR LOTUS APP (5500+ USERS):

Assisting contractors with classification, site verification, gift distribution, and journey, for bettering their experience with Star Cement.



DIGITAL DISPLAYS:

Impacting our in-store branding to enhance brand information and visibility along with timely updates on relevant schemes and offers.

STAR STELLAR APP (2200+ USERS):

Facilitating loyalty program for civil engineers and providing login facility to Technical Employees and Civil Engineers for a better performance at work



CUSTOMER WEB-PORTAL:

Aiding dealers in generation of ledgers, invoices, debit note/credit notes through OTP authentication.

SALESFORCE AUTOMATION APP:

Helping us to track attendance, and various other activities taking place (including field visits by our Sales, Branding and Technical Teams



IMPLEMENTED ENTERPRISE RESOURCE MANAGEMENT (ERM) SYSTEMS:

Leading to higher operational efficiency and an overall enhanced performance (includes management of inventory and sales)

WIDER REACH FOR A BETTER TOMORROW



STRONG SUPPLY CHAIN & DISTRIBUTION NETWORK

We emphasize on strengthening being among the first one to identify the disparity in demand and supply forces, through a strong supply chain & distribution network:

EASY AVAILABILITY OF RAW MATERIAL:

Easy access and proximate location to limestone mines within 2-3 km of our plants in Integrated vehicle logistics system.

RIGHT MIX OF DISPATCH MODES:

Availability of different modes of transportation, including roadways and railways for uninterrupted supply

IMPROVING RAIL TRANSPORT CONNECTIVITY:

Raw Material Inward & Cement outward dispatches from Siliguri siding ensured alternate mode availability for enhanced serviceability and Cost Efficiency.

ENHANCING PRODUCTIVITY THROUGH OWN FLEET:

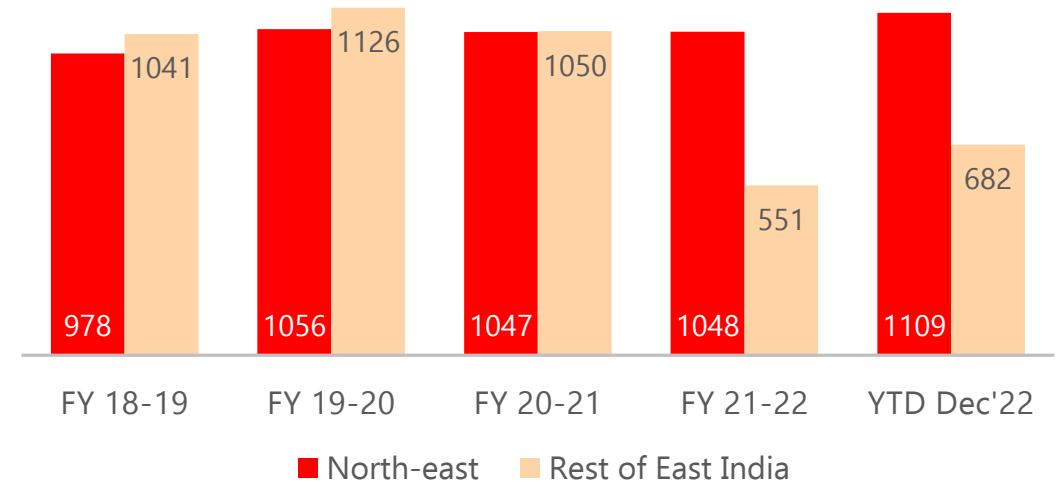
Optimum utilization of owned fleet of 190+ trucks through digitization enabled the organization to increase the overall efficiency & productivity

ESTABLISHED DEALER-DISTRIBUTOR NETWORK:

Our extensive distribution network helps deepen penetration in the Eastern region

DISTRIBUTION NETWORK SPREAD ACROSS 10 STATES, LEADING TO AN EDGE OVER PEERS

DEALER NETWORK

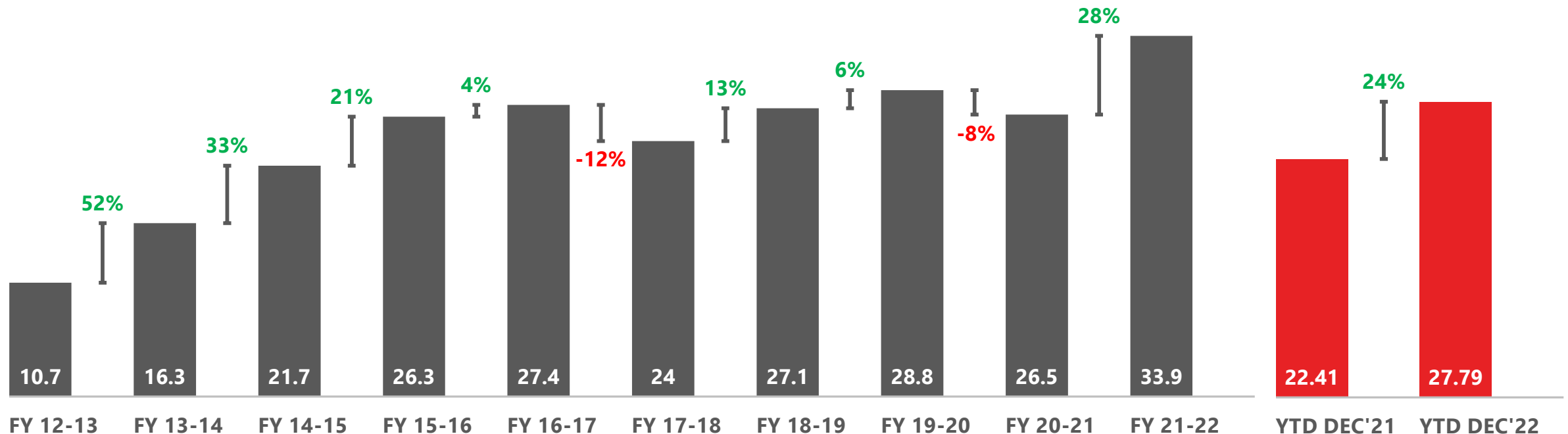


THE STAR SHINES BRIGHT AND STRONG



- Enjoys a leadership position in the North East with market share of more than 23%
- Gradually increasing share in the Eastern region through concerted efforts
- Strong dealer and distributor network built over the years, steering year-on-year growth, enabling leadership position in market

SALES THROUGH THE YEARS – VOLUME (LAKH TONS)





PROMISING A BETTER TOMORROW

ENVIRONMENT, SOCIAL & GOVERNANCE





Health and Sanitation

- TB patients of Sonapur district Hospital supported with food items.
- Blood donation camp organized at Star Club on 08th Dec.
- Food Security for 73 specially abled persons of Mohitnagar has been initiated and the same will continue throughout the current financial year.
- Medical camp organized at Lumshnong village on 22nd Dec, where patients received free health check-up and medicine.
- Establishment of STAR JALADHARA Project - 24 x 7 running potable water system is at the end of completion at 11 educational institute and 2 social institution of GGU and SGU plant peripheral area.
- Renovation of Institutional Toilets in 5 LP schools of Mohitnagar is almost completed.



Livelihood Development

- STAR Usha Tailoring School in all three locations are going on as per schedule.
- Beautician and wellness training courses have been started in Mohitnagar with 60 native girls.
- Biofloc fish farming is ongoing at Guwahati and Mohitnagar plant peripherals.
- Regular production in Agarbatt unit and sanitary napkin production unit at SRJANI is going on flawlessly.
- Awareness camp on Menstrual Hygiene is going on monthly basis in different tea gardens of Mohitnagar. Women are accepting this positively and their habit is changing gradually.
- A livelihood hub is under construction at Lumshnong
- 58 pig farmers had been shortlisted for Pig Rearing Project from 5 villages of Elaka Narpuh for FY- 2022-23.



Education

- Infrastructural development including construction of boundary wall, class room, floor, guard wall, desk bench support, class room kits support are underway at several educational institutions in Assam and Meghalaya.
- Renovation of school building with the construction of mid day meal area have been initiated in Mohitnagar.
- School bus services are being provided in Lumshnong.
- Computer Education on wheels – a new initiative has been started in fresh manner at Guwahati plant peripheral area.
- Student Support Programme i.e. distribution of class room kits and sports items in 25 LP & SSK Schools in and around Mohitnagar are in pipe line.



Rural Development

- Construction of 350 mt. RCC road of Dongwalarung locality of Lumshnong Village and Community Hall office room is going on.
- Construction of additional room at Gandhi Nagar Anchalik Kalakrishti Vikash Kendra is going on.
- Construction of public utility area of Maa Kali Mandir at Sonapur & repairing of Prayer hall at Lakhi Mandir are under way.
- Construction of market place at Gouri Hat and Maa Kali Mandir at Madhya Kumar Para have been initiated in Mohitnagar.
- Repair works at 8.5 km connecting road of Sakri and Lumstongseng village had been completed.
- Around 250 solar lights have been in Guwahati and Mohitnagar. A solar home lighting system was established in Meghalaya.

A group of seven business professionals are silhouetted against a large window overlooking a city skyline. One man is standing and leaning over a table, presenting to the others who are seated. The scene is bathed in a warm, reddish-orange light.

LEADING FROM THE FRONT

OUR MANAGEMENT TEAM



OUR PROMOTERS TEAM



Mr. Sajjan Bhajanka
Chairman & Managing Director

Experience: 50 years' experience in plywood, laminates, ferro alloys and cement industry



Mr. Rajendra Chamaria
Vice Chairman & Managing Director

Experience: 36 years' experience in cement and concrete sleepers industry with excellent project execution skill and production knowledge



Mr. Sanjay Agarwal
Managing Director

Experience: 36 years' industry experience



Mr. Prem Kumar Bhajanka
Managing Director

Experience: 43 years of industry experience



Mr. Tushar Bhajanka
Executive Director

Qualification: MPhil in Economics from the University of Cambridge

Experience: 4 years' industry experience

OUR MANAGEMENT TEAM



Mr. Pankaj Kejriwal

Chief Operating Officer

Qualification: Chemical Engineer

Experience: 22 years' overall experience



Mr. Manoj Agarwal

Chief Financial Officer

Qualification: LL.B, Chartered Accountant, Company Secretary

Experience: Over 27 years' experience, including 15 years in the cement industry



Mr. Jyoti S. Agarwal

Chief Marketing Officer

Qualification: M.Com

Experience: Over 39 years' experience in the cement industry, having worked at senior positions in Aditya Birla Group and Ambuja Cement Limited



Mr. Pradeep Purohit

Chief Strategy Officer

Qualification: B. Com, Graduate Dip. IIMM

Experience: 34+ years in the cement and engineering industry



Mr. Sundaram Srinivasan

Chief Manufacturing Officer

Qualification: Mechanical Engineer

Experience: More than 3 decades in the cement industry including companies like Gujarat Ambuja Cement & Zuari Cement.



Mr. Samar Banerjee

Chief Human Resource Officer

Qualification: BA(Eco), PGPM&IR

Experience: Over 27 years' experience, including 14 years in the cement and Building Material Industries.



NUMBERS THAT SPEAK FOR US

FINANCIAL HIGHLIGHTS



Operational

- The total cement production in Q3 FY23 was 9,21,814 MT against 8,57,173 MT in Q3 FY22, a YoY increase of 8%.
- Average capacity utilization of cement grinding units was 65% in Q3 FY23.
- The organisation has started purchasing conditioned fly-ash through rakes from different power plants. This will help reduce flyash cost by approx. 20%.

Financial

- Cement sales in Q3 FY23 was up by 12% (YoY) to INR 617 Cr.
- EBITDA for the quarter stood at INR 120 Cr, a YoY increase of 61%.
- Profit After Tax for the quarter stood at INR 53 Cr.

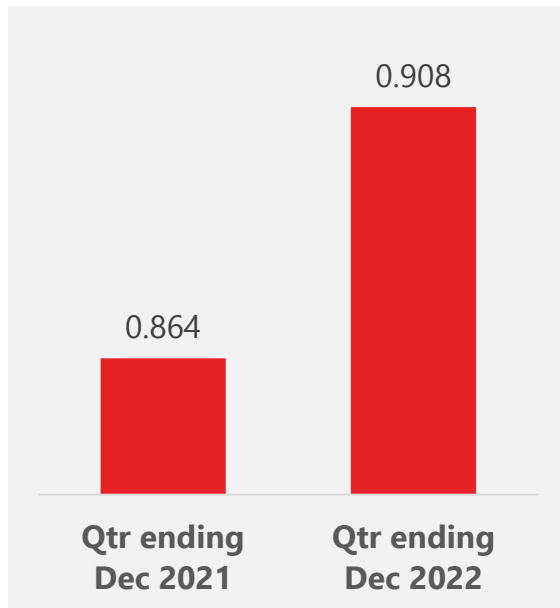
Functional

- The organisation has completed the adoption of SAP across all levels.
- WHRS project at Lumshnong is progressing well and is expected to be operational from February 2023.
- The organisation is in process to introduce the use of alternate fuel resources in its Kiln. The organisation is also optimizing the use of biomass in power generation.
- The organisation is using its own fleet and optimizing its transportation requirements for minimizing logistics cost.

HIGHLIGHTS THAT MATTER

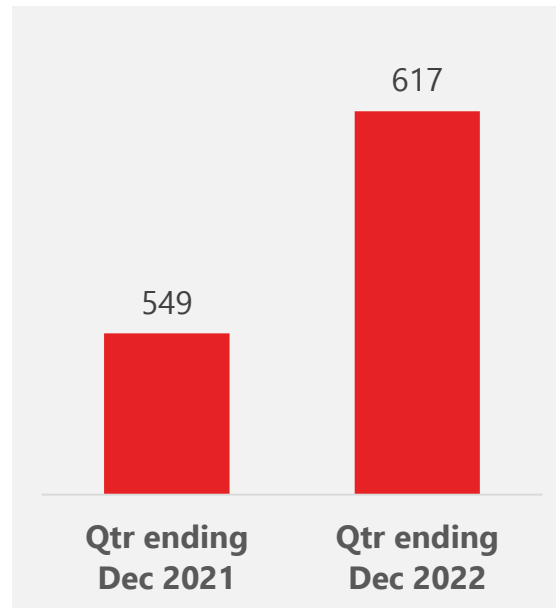


SALES VOLUME - CEMENT (MILLION TONS)



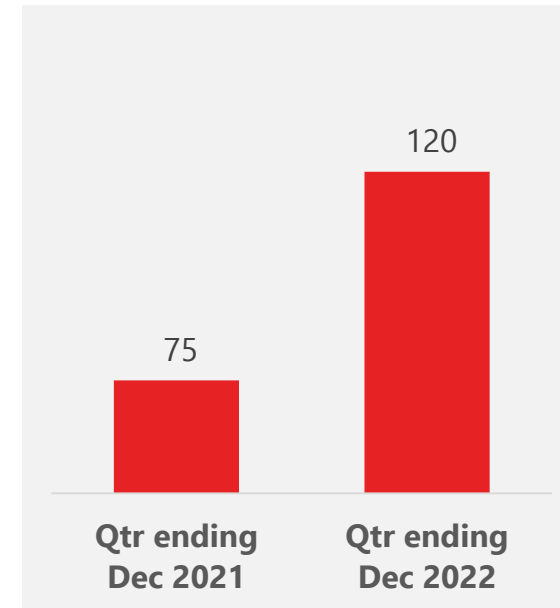
An YoY increase in sales volume by 5%

REVENUE FROM CEMENT SALES (INR CR)



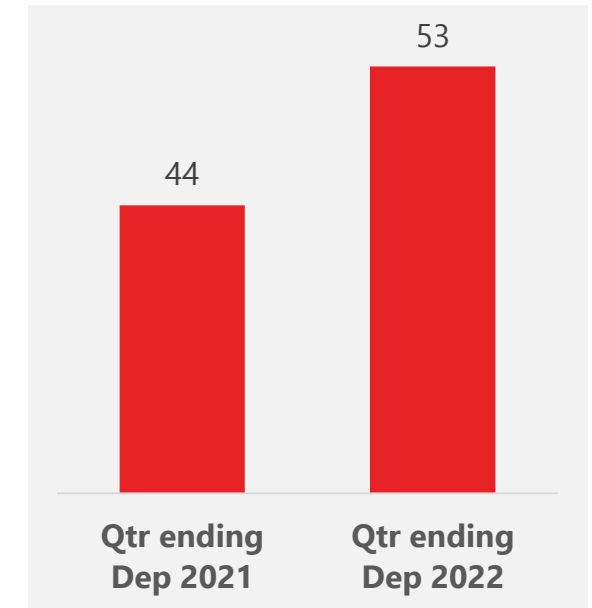
Increase in sales volume and better pricing resulted in the increase in revenue from cement sales by 12%

EBITDA (INR CR)



Increase in sales and cost rationalization in the quarter helped increase EBITDA by 61% compared to the same quarter last year.

PAT (INR CR)

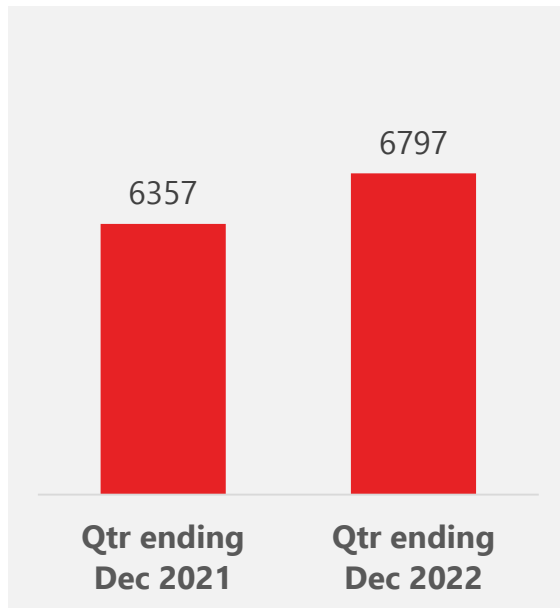


PAT for the period increased by 21% as compared to the same period last year, even though tax for the year has increase owing to sunset of tax exemption u/s 80 IE of Income Tax Act,. 1961. Cash outflow will remain the same at MAT.

HIGHLIGHTS THAT MATTER

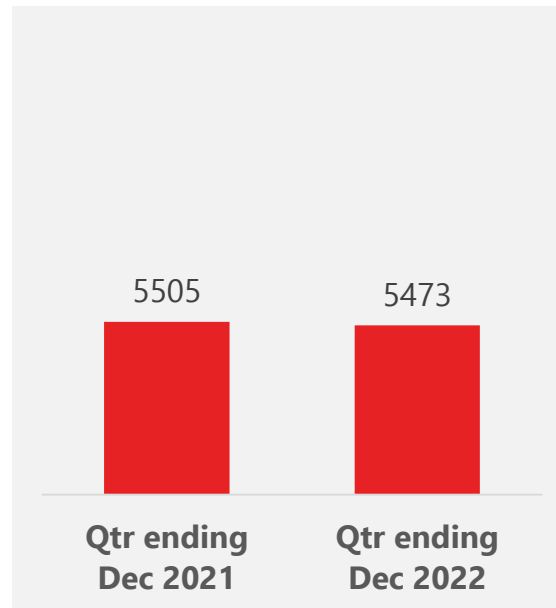


REALISATION (INR PER TON)



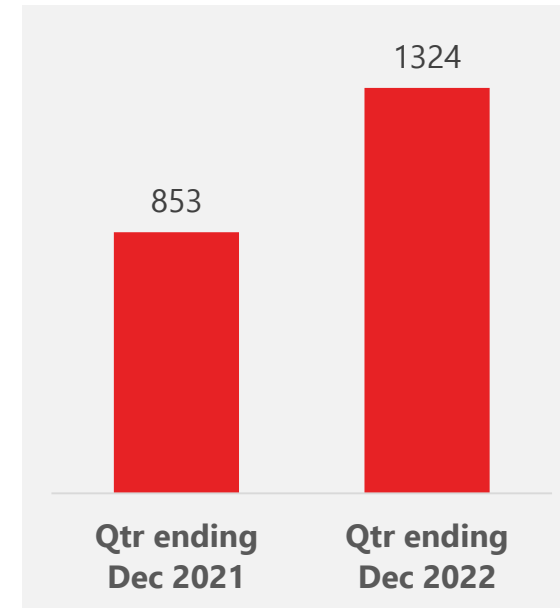
Realization for the period was in line with market trend

COST (INR PER TON)



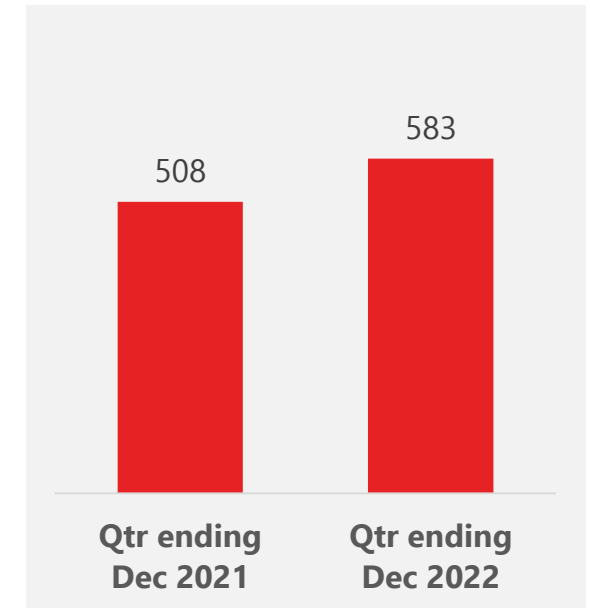
Cost of production per unit for the period was consistent compared to the same period last year.

EBITDA (INR PER TON)



EBITDA per unit for the period has increase by 55% as compared to the same period last year.

PAT (INR PER TON)



Net profit per share for the period increased by 15% as compared to the same period last year. Even though tax for the year has increase owing to sunset of tax exemption u/s 80 IE of Income Tax Act, 1961, cash outflow will remain the same at MAT.

APPENDIX



STANDALONE FINANCIAL HIGHLIGHTS



PARTICULARS		Q3 FY23	Q3 FY22	Q2 FY23	FY22
Equity Share Capital	<i>INR Cr</i>	40	40	40	40
Reserves & Surplus	<i>INR Cr</i>	1,354	1,184	1,324	1,259
Net Worth	<i>INR Cr</i>	1,394	1,224	1,364	1,299
Revenue	<i>INR Cr</i>	630	545	604	2,219
EBIDTA	<i>INR Cr</i>	72	41	59	255
PBT	<i>INR Cr</i>	47	20	37	170
Tax Expenses	<i>INR Cr</i>	17 ¹	(4)	14 ¹	(6)
PAT	<i>INR Cr</i>	30	24	24	176
Return on Equity (Annualised)	%	8.98%	8.03%	7.09%	13.57%
Earning Per Share (Not Annualised)	INR	0.75	0.59	0.58	4.32

¹The tax holiday period enjoyed by the company's Guwahati Grinding Unit u/s 80 IE of Income Tax Act, 1961 has ended in the financial year 2021-2022 leading to an overall increase in its tax expenditure.

CONSOLIDATED FINANCIAL HIGHLIGHTS



PARTICULARS		Q3 FY23	Q3 FY22	Q2 FY23	FY22
Equity Share Capital	<i>INR Cr</i>	40	40	40	40
Reserves & Surplus	<i>INR Cr</i>	2,279	2,040	2,226	2,128
Net Worth	<i>INR Cr</i>	2,320	2,190	2,267	2,168
Revenue	<i>INR Cr</i>	631	562	608	2,255
EBIDTA	<i>INR Cr</i>	120	75	83	379
PBT	<i>INR Cr</i>	83	41	49	244
Tax Expenses	<i>INR Cr</i>	30 ¹	(3)	18 ¹	(3)
PAT	<i>INR Cr</i>	53	44	31	247
Return on Equity (Annualised)	%	9.43%	8.70%	5.59%	11.38%
Earning Per Share (Not Annualised)	INR	1.31	1.09	0.77	6.04

¹The tax holiday period enjoyed by the company's Guwahati Grinding Unit and its subsidiary, Star Cement Meghalaya Limited (SCML) u/s 80 IE of Income Tax Act, 1961 has ended in the financial year 2021-2022 leading to an overall increase in the Group's tax expenditure.

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