

# Progress Through **CONCRETE ACTIONS**



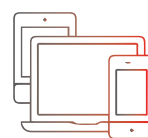
**STAR CEMENT LIMITED**  
ANNUAL REPORT 2020-21

# As You Progress

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## Investor Information

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



**Please find this Report online at:**

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

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



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

# PROGRESS THROUGH CONCRETE ACTIONS

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

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

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

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

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

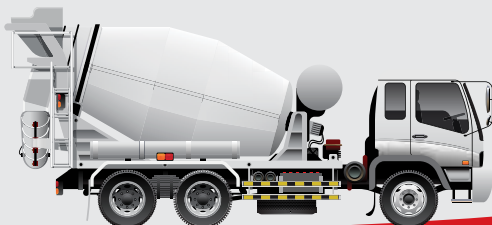
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#### **TO SET UP CAPACITIES TO CATER TO INCREMENTAL DEMANDS OF THE REGION**

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

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



# A CONCRETE HISTORY

## STAR CEMENT AT A GLANCE

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

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

### OUR FACILITIES AND PRODUCTS

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

**ORDINARY  
PORTLAND CEMENT  
(OPC)**

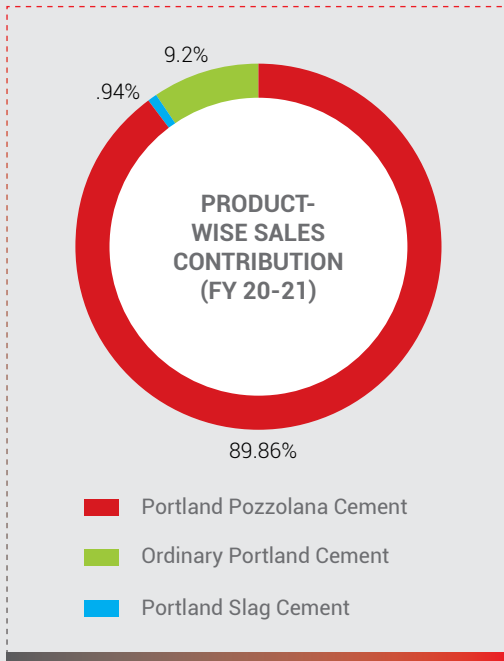
**PORTLAND  
POZZOLANA CEMENT  
(PPC)**

**PORTLAND SLAG  
CEMENT (PSC)**

**ANTI RUST  
CEMENT (ARC)**



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



## VISION

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



## MISSION

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

**2.8** MMTPA  
AGGREGATE  
CLINKER CAPACITY

**5.7** MMTPA  
TOTAL CEMENT  
PRODUCTION CAPACITY

**10**  
STATES PRESENT

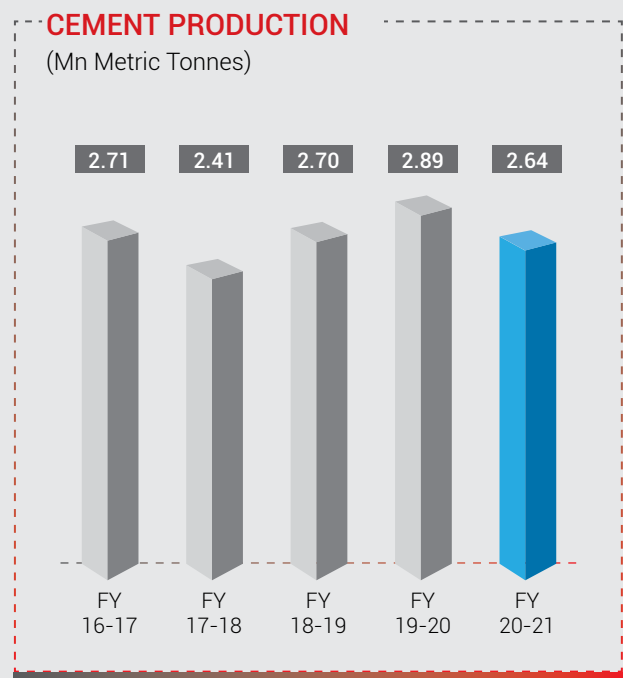
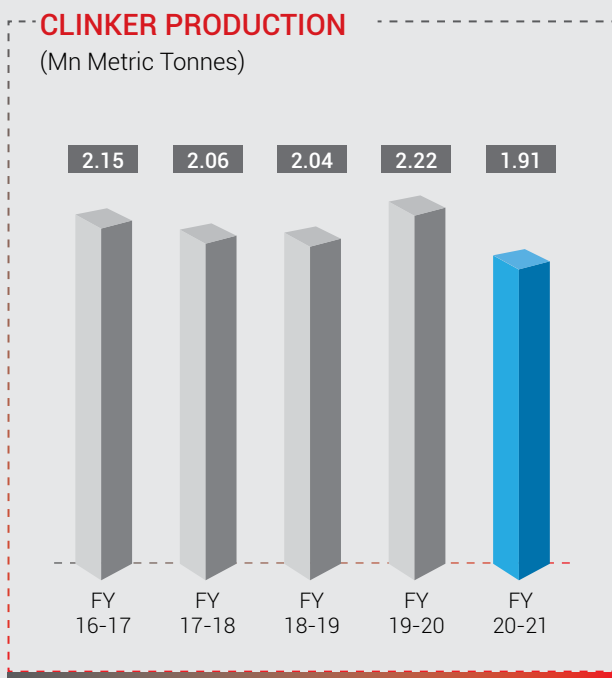
**6**  
MANUFACTURING  
UNITS

**>12,000**  
RETAILER NETWORK

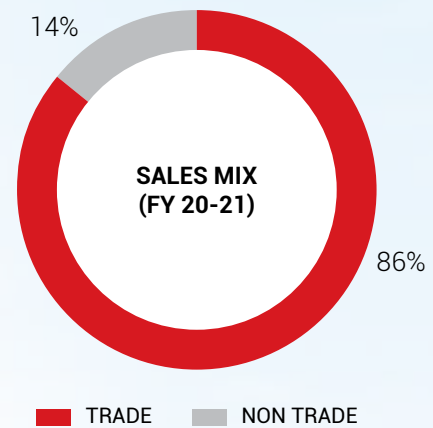
# ROBUST MANUFACTURING FACILITY

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

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



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



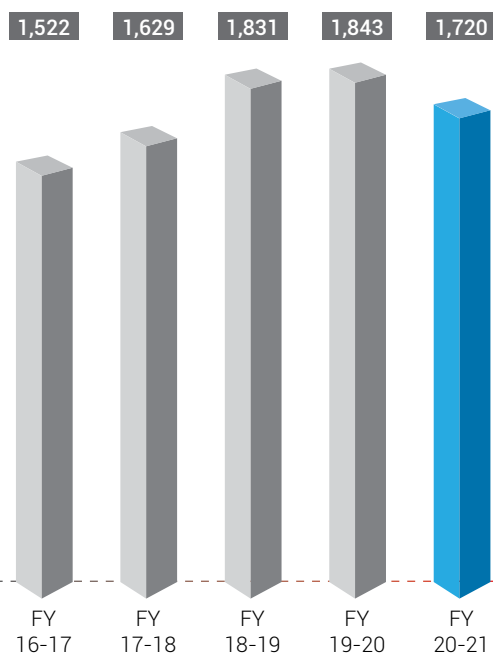
# PROGRESSING THROUGH THE DETERMINATION TO DELIVER

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

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

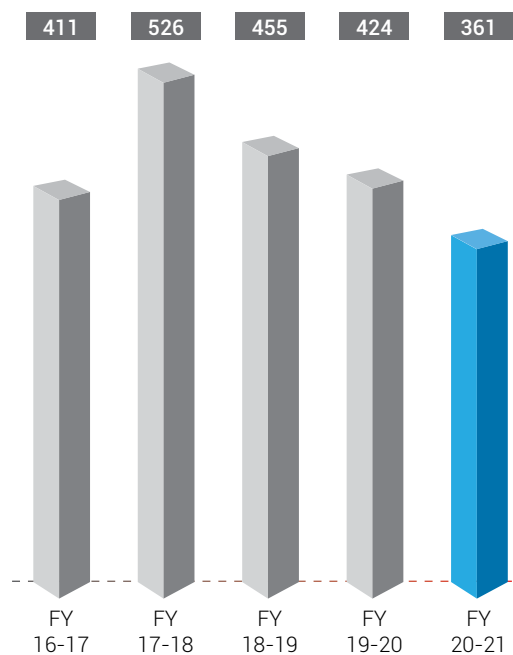
## REVENUE

(₹ in Crore)



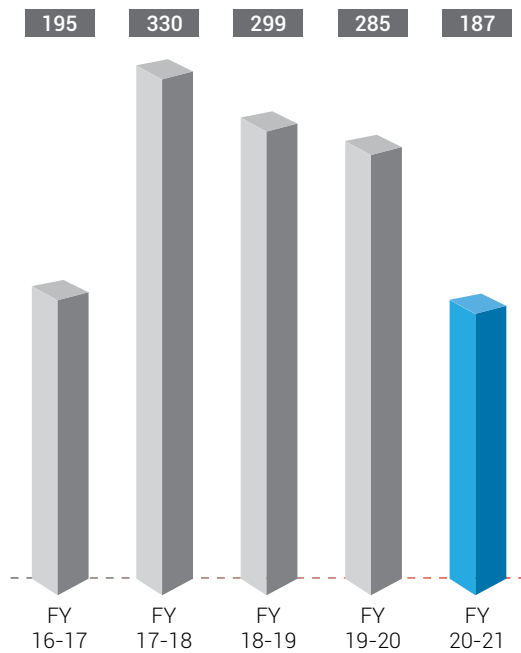
## EBITDA

(₹ in Crore)



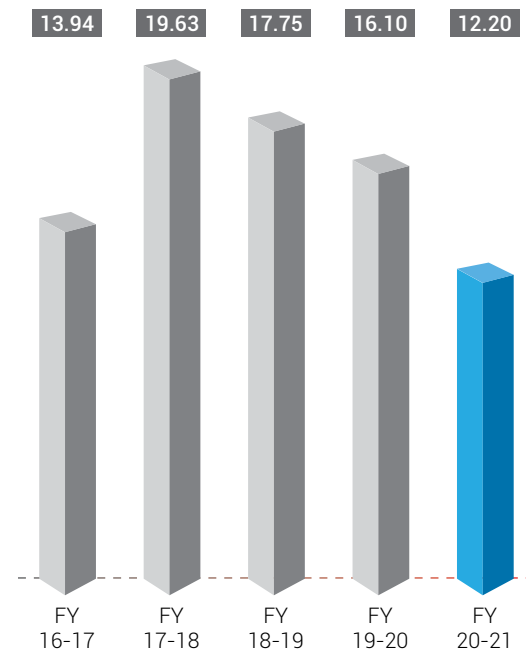
## NET PROFIT

(₹ in Crore)



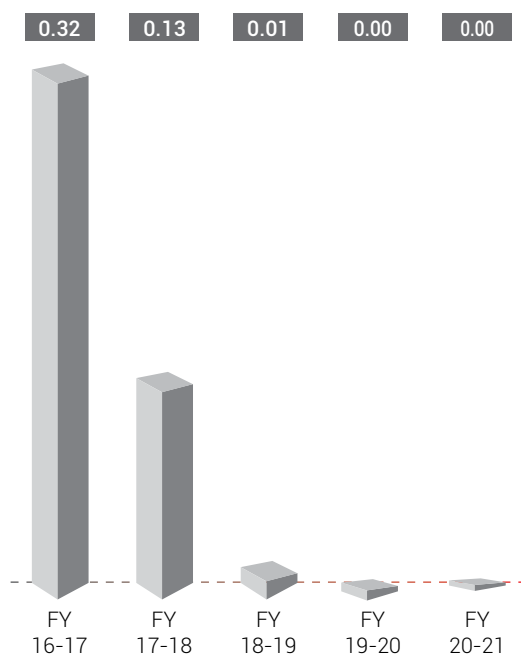
## ROCE

(%)



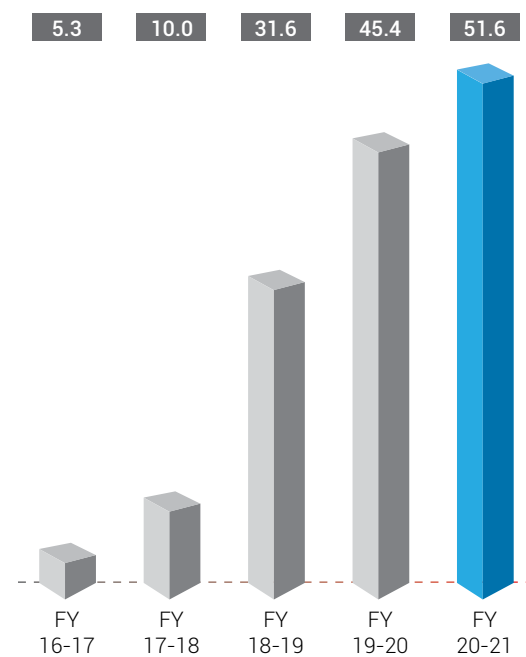
## DEBT EQUITY RATIO

(x)



## INTEREST COVER

(x)



# CHAIRMAN'S MESSAGE



**Dear Shareholders,**

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

## **The Macroeconomic Landscape**

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

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

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

## **Industrial Overview**

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