



ACCELERATING WITH AGILITY

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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.

Investor Information

Market Capitalisation as at 31 st March, 2022	: ₹3,621 Crore
CIN	: L26942ML2001PLC006663
BSE Code	: 540575
NSE Symbol	: STARCEMENT
AGM Date	: 27 th September, 2022
AGM Mode	: Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')

Accelerating with Agility

Agility is the capability to rethink, re-strategise and respond quickly, while accelerating through the milestones, goals and course.

At Star Cement, we have established ourselves among the leading cement players in India's North-Eastern Region (NER), and we are consistently working on expanding in the Eastern region.

Our 18 years of solid foundation have helped us gain proficiency that propels us forward. Over the years, we have constantly worked on enhancing our capacity, which today enables us to cater to the increased market demand. We attribute this ability to our strategic advantages in logistics, raw material proximity, more than adequate manufacturing capabilities, and a positive cash flow. We have actively worked to improve our abilities and explored all growth prospects. And while doing this, we have been able to accelerate our progress with agility.

For this, we only have our deliberate actions, a well-thought-out plan, and the correct kind of direction and speed to thank. When we look back, we see how far we have travelled. But above everything, the miles we have crossed so far, and the ones we plan to surpass in future, speaks of how fast our transition has been. Our journey is indicative of how we have been progressing with speed, achieving goals and objectives on the way while setting new benchmarks each time. When we look ahead, we sure envision our targets and milestones we want to achieve over the course of the next few years. But we also foresee that we will continue growing and accelerating with agility, just as we have been. Because this is the way we have known it to be, this is the way it will always be.

Our Story of Accelerating Growth

Star Cement – An Overview

Star Cement Limited ('Star Cement', 'the Company' or 'We') is the leading cement company in North-Eastern India and one of the fastest-growing cement players in the industry. The Company, backed by premium quality cement, pioneer marketing and a focus on overall sustainable development, has gained prominence in Eastern India's construction industry. Star Cement, as a brand, goes beyond manufacturing and selling products. We also provide technical support, best-in-class home building solutions and services to customers at all stages of the construction, right from foundation to roof.

We believe in being a strong and socially responsible corporate. The Company plays a pivotal role in safeguarding the environment, promoting economic development, strengthening livelihoods & social development and fulfilling responsibilities towards society with consistent Corporate Social Responsibility initiatives. Furthermore, with the guidance of our efficient governance team, we thrive to strengthen our leadership position in the areas we operate.

Vision

- To become the fastest growing and the most competitive cement company in Eastern India
- To be respected for a high level of integrity and value
- To achieve 15 Mn metric tonnes capacity by 2026

Mission

- To provide utmost satisfaction to the consumer by providing the best quality product and better customer support
- 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 shareholders value
- To respect the dignity of all employees and together become instrumental in the development of the country by protecting the environment
- To utilise the surpluses for the welfare of employees and society at large

Facts Justifying Our Potential

5.7 MMTPA

Aggregate Cement Capacity

Zero Debt

Company

2.8 MMTPA

Aggregate Clinker Capacity

Highest

Market Share in the North-Eastern Region

6

Manufacturing Units

(4 in Meghalaya and 1 each in Assam and West Bengal)

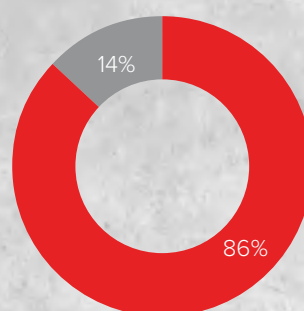
One of the Country's Finest

Limestone Reserves

2,100+

Total Dealer Network

Our Sales Mix



12,000+

Total Retailer Network

1,900+

Workforce

All numbers are on a consolidated basis for FY 21-22

Words from the Chairman



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We saw stronger returns than the previous year, despite volatile power and coal prices. Due to state-imposed mobility restrictions implemented because of the Omicron virus, our dispatches suffered in the first quarter.

Dear Shareholders,

I hope this letter finds you safe and healthy. Over the past few years, lives, livelihoods and businesses have been severely impacted by multiple waves of the Covid-19 pandemic. It has been a difficult period for everyone, from individuals, businesses, and frontline warriors to the economy and country. I want to extend my heartfelt gratitude to everyone, especially our frontline personnel, who have diligently fought to protect the safety of our people and communities. Their undying commitment and faith have enabled us to see a time that we call the 'new normal'.

With this, I take great pleasure in presenting Star Cement Limited's Annual Report for FY 21-22 to you.

The Macroeconomic Landscape

After a period of challenges and negligible to slow industry growth, this year turned out to be good one. It helped bring out a relatively better side as the economy gradually advanced following an extraordinarily difficult macroeconomic backdrop and subsequent waves of the Covid-19 pandemic. Despite a very unpredictable previous year, the economy grew by 8.7% in FY 21-22, while presenting a bundle of opportunities. This growth was fuelled by a decline in the Covid-19 infection rate, widespread inoculation, a recovery in commercial operations, and an overall improvement in public morale due to the upliftment of restrictions and a partial return to normalcy in daily life. The Government's liquidity and stimulus policies, the RBI's loan moratorium,

and lowered interest rate defences also helped boost the economy significantly.

India also had new growth spurts during the year. As the year went on, there was a substantial increase in the key sectors as demand and consumption mostly returned to their pre-pandemic levels. Increased levels of public and private consumption helped to stimulate our economy further. But in light of the longer-lasting inflationary pressure, the Reserve Bank of India raised its repo rate by 90 basis points over two instalments, bringing it from 4% to 4.9% in May. This is expected to have an impact on the interest rates as well. These economic disruptions have prompted us to undertake strategies to provide stability to our business and expand in the face of uncertainties.

Industrial Overview

The cement industry is one of the main industrial sectors in the nation. Given the massive infrastructural requirements of a developing and urbanising nation and its contributions in terms of direct and indirect employment, cement industry has a sizeable prominence for a rising and transitioning economy like India. Today, our nation is the second-largest cement producer worldwide, with over 7% of the global installed capacity. However, our per capita cement consumption still remains extremely low, which greatly increases the possibility of future exponential growth.

Due to a low FY 20-21 base and a resurgence of construction development in all sectors, cement production increased in FY 21-22. The cement industry's demand is

anticipated to go up due to rising demand in a number of sectors, including housing, commercial & infrastructural development, and industrial building. The demand for affordable housing in rural areas, pent-up demand in the urban housing market, Government infrastructure spending, the restart of construction on public infrastructure projects, and Government programmes like the Pradhan Mantri Awas Yojana (PMAY) are the main factors driving cement consumption.

“

India has entered a period of infrastructure growth. The Government's unrestricted push for infrastructure development has allowed the cement industry to reach new heights. We saw an increase in the infrastructure spending in the Union Budget FY 22-23's capital spending allocation by more than 35%, from around ₹5.5 Tn in FY 21-22 RE (Revised Estimates) to ₹7.5 Tn in FY 22-23 BE (Budget Estimates).

This is definitely good news for the cement industry. In addition, it calls for upgrades to ports, airports, and rural infrastructure. Since its inception, National Infrastructure Pipeline (NIP) has added more than 9,000 projects across 34

subsectors. PM Gati Shakti is prepared to provide top-notch nationwide infrastructure and logistics solutions with the first financial expenditure of ₹200 Bn. The demand for affordable housing is expected to rise as a result of Government housing initiatives like the Pradhan Mantri Awas Yojana (PMAY). With ₹480 Bn put aside, for this reason, the Government has committed to finish 8 Mn homes in both rural and urban locations.

These developmental activities in the infrastructural space will boost industrial sector outputs, and measures to raise earnings would also pave the way for the cement industry to grow easily.

The Year under Review

We saw stronger returns than the previous year, despite volatile power and coal prices. Due to state-imposed mobility restrictions implemented because of the Omicron virus, our dispatches suffered in the first quarter. Demand in the North-East was subdued across the second quarter and the first half of the third quarter. However, strong demand and stepped-up infrastructure activities in the fourth quarter helped us position ourselves towards the end of FY 21-22. Due to increased demand in North Bengal and East Bihar, our

Siliguri plant operated at 70% of its capacity, up from 32% in the first quarter of FY 21-22.

From the operational context, we produced 21.75 Lakhs tonnes of clinker compared to 19.11 Lakhs tonnes in FY 20-21. On the cement side, we produced 34.06 Lakhs tonnes compared to 25.04 Lakhs tonnes in FY 20-21. Regarding geographical distribution, we sold 25.48 Lakhs tonnes of cement in the North-East and 8.56 Lakhs tonnes outside the region during the fiscal year.

From the financial perspective, we registered our total revenue of ₹2,222 Crore in FY 21-22 which was 29.18% higher than the previous year from ₹1,720 Crore. Our EBITDA stood at ₹379 Crore in FY 21-22 compared to ₹361 Crore in FY 20-21, and PAT ₹247 Crore in FY 21-22 compared to ₹187 Crore in FY 20-21. Furthermore, we have been a net debt-free entity for the last 3 consecutive years. This clearly reflects our zero dependency on outside debt and is a testimony of our operational and financial excellence. During the year, we maintained a robust cash position which gave us the stability to hold our stance with a strong balance sheet.

From the capex front, we have been investing in setting up a 3 Mn tonnes clinker unit at our Meghalaya Unit

along with 12 MW WHRB plant. This coming year, we have around ₹300 Crore Capex plan and we are optimistic about commencing the operation of our 12 WHR plant by September 2022. We are also looking to set up a 2 numbers of 2 Mn tonnes grinding unit in Assam and have also ramped up ₹2,200-2,500 Crore of Capex plan for the next 24 months.

Vote for Thanks

I would like to take this opportunity to express my gratitude to our regulators, customers, board members, and stakeholders for their unwavering trust and support. Your faith and support allows us to grow into a strong organisation, and we pledge always to put your interests first. Our future is bright and exciting, and we are committed to overcoming the situation as it stands.

With Regards,

Sajjan Bhajanka

Chairman



Accelerating Possibilities with Our Product Portfolio



Star Cement Ordinary Portland Cement (OPC)

OPC Grade 43

The most extensively used all-purpose cement in the country today, is suitable for construction where the grade of concrete is up to M-30.

OPC Grade 53

OPC 53 is a stronger cement that offers more durability and strength for concrete. With optimum particle size distribution and superior crystallised structure, OPC 53 caters for the diverse needs of different consumer segments.



Star Cement Portland Pozzolana Cement (PPC)

PPC is a blended cement composed of OPC clinker, gypsum, and pozzolanic materials. It is ideal for mass concrete works, masonry mortars, and plastering.

Features:

- Durability
- Improves strength and viscosity
- Resistant to chemical attacks
- Lower permeability
- Water-resistant
- Better cohesiveness



Star Cement Anti Rust Cement (ARC)

A signature product of Star Cement in the value-added sector, Star Anti Rust Cement is expertly engineered and was created as the result of several years of intensive R&D to address the changing needs of the construction industry. Star Anti Rust Cement gives reinforcing bars anti-rust and anti-corrosive qualities. Thereby, increasing a structure's tensile strength, durability, and service life.

Accelerating Our Roadmap through Strategies Imperatives

Consolidating our strengths and operational efficiencies, we have established ourselves as the leading cement player in North-Eastern India. We are also the fastest-growing brand in West Bengal and Bihar. To reach where we are today, we have meticulously planned our roadmap and consistently progressed on the path to our goals and objectives, backed by our strategies, which encompass:

Cost Optimisation

Star Cement has been optimising the Company's raw material mix to reduce overall manufacturing costs. We have successfully reduced our fuel and power consumption in the manufacturing process. Additionally, we have also started using biomass in our plants, and our other cost reduction initiatives include:



New clinker loading system and hopper, for bulk loading support



Upgraded pyro jet main firing burner to improve operational efficiency



Roto scale coal feeding system to improve operations



Vibrating screen in the tertiary crusher to improve raw mill grinding



Variable frequency drives to reduce power consumption

