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STAR CEMENT MEGHALAYA LIMITED



STAR CEMENT MEGHALAYA LIMITED
ANNUAL REPORT 2020-21

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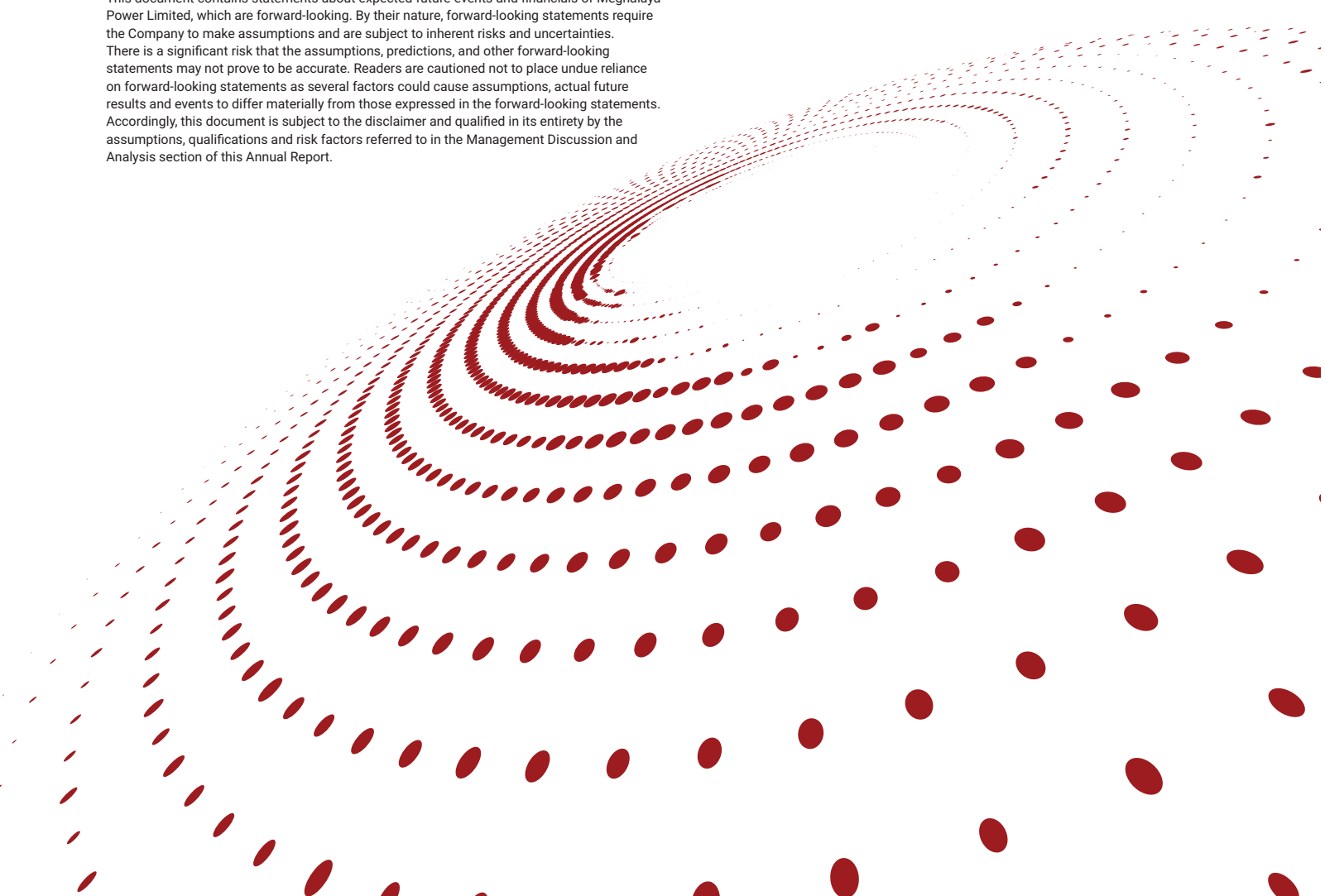
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Disclaimer

This document contains statements about expected future events and financials of Meghalaya Power 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.



Corporate Information

CIN : U63090ML2005PLC008011

Board of Directors

Mr. Prem Kumar Bhajanka	Director (Managing Director upto 12.08.2021)
Mr. Emlangky Lamare	Executive Director (w.e.f. 08.02.2021)
Mr. Tushar Bhajanka	Executive Director (w.e.f 12.08.2021)
Mr. Sajjan Bhajanka	Director
Mr. Sanjay Agarwal	Director
Mr. Rajendra Chamaria	Director
Mr. Pankaj Kejriwal	Director
Mr. Pramod Kumar Shah	Director
Mrs. Clara Suja	Director
Mr. Santanu Ray	Director (upto 31.03.2021)
Mr. Nirmalya Bhattacharyya	Director (w.e.f. 01.04.2021)

Auditors

D.K. Chhajer & Co.,
Chartered Accountants
Nilhat House
11, R.N. Mukherjee Road, Ground Floor, Kolkata - 700 001

Company Secretary

Mr. Bishwajit Singh (upto 08.04.2020)
Mr. Chandan Sharma (w.e.f. 20.07.2020)

Chief Financial Officer

Mr. Amit Kumar Singh

Registrars and Share Transfer Agents

Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor
Kolkata 700 001

Registered Office and Works

Vill.: Lumshnong, P.O: Khaliehriat
Dist: East Jaintia Hills, Meghalaya – 793 210

Corporate Office

“Century House”, 2nd Floor,
P-15/1, Taratala Main Road, Kolkata – 700088

Delhi Office

281, Deepali, Pitampura, New Delhi – 110 034

Bankers

State Bank of India
Indian Bank

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Sixteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2021 and the Statement of Profit & Loss for the year ended on that date.

FINANCIAL HIGHLIGHTS

The highlights of the financial performance of the Company for the FY ended 31st March, 2021 as compared to the previous FY are as under:-

Particulars	(₹ in Lakhs)	
	2020-21	2019-20
Total Income	59,841.72	61,739.28
Profit/(Loss) before Interest, Depreciation and Tax and exceptional items	9,018.96	9,818.77
Interest and Finance Charges	108.40	180.26
Depreciation	2,861.22	3,423.60
Profit/(Loss) before exceptional items and Tax	6,049.35	6,214.92
Exceptional Items	2,261.78	-
Profit / (Loss) before Tax	3,787.57	6,214.92
Provision for taxation:		
-Current Tax	441.61	867.96
- Income tax for earlier years	3.89	(4.85)
-Deferred Tax	(442.21)	(864.08)
Profit/(Loss) after Tax	3,784.28	6,215.89
Other comprehensive income for the year, net of tax	1.12	(7.23)
Total comprehensive income for the year	3,785.40	6,208.66

INDIAN ECONOMY – A RETROSPECT AND OUTLOOK

The devastations of COVID-19 pandemic have caused huge human toll, not just in terms of afflicting lives, but also loss of jobs, declined development impacting incomes and livelihoods. Actual assessment of impact on Indian economy is yet to be ascertained. With the roll out of vaccine across the globe, the country is in need to align its development path with the changed scenario.

To overcome from the current distressed situation, the Government had announced several measures and with its budgetary support, the FY 21-22 will be challenging for the industry. Various ongoing policies like National Mineral Policy, National Policy on Software Products, National Electronics Policy, Agriculture Export Policy etc., are expected as contributing factors for all round development of the country and bring the economy in right path.

In response to the pandemic situation, we had adopted a series of measures ensuring the safety and wellbeing of our employees. Task force were formed to enforce the COVID Protocols in the workplace. In line with directives of the Government, work from home facility provided to the employees. Emergency Response Team (ERT) was formed with employees representing different functions and locations to support and extend help to all covid infected employees and their family members. Vaccination programmes are being undertaken for the employees and their family members.

OPERATIONAL PERFORMANCE

During the year under review your Company produced 14,75,660 MT of Cement Clinker as against 16,42,975 MT in the previous year. There has been decline in performance of your Company which was mainly due to lock down announced across the country to prevent pandemic and its impact thereafter. On the capacity utilization front, your Company was able to utilize 84.37% of its installed capacity during the FY 20-21 as against 87.39% recorded during the FY 19-20.

During the year your Company has sold 14,11,689 MT of clinker against 16,05,724 MT recorded in last year and the Company has successfully exported 0.41 Lakhs MT of Cement Clinker to neighbouring country of Nepal. Low volume of export was mainly due to low prices of clinker in Nepal.

During the FY 20-21, your Company has posted EBIDTA of ₹ 6,757.18 Lakhs and profit after tax amounting to ₹ 3,784.28 Lakhs. Your Company expects to increase the operational efficiencies in years to come.

During the year under review your Holding Company M/s. Star Cement Limited has undertaken various marketing initiatives in order to make the brand "Star Cement" more visible and attain top of mind recall. During second quarter of FY 20-21 Star Cement launched antimicrobial campaign with the punchline "Star Cement Lana Virus Ko Bhagana" on

DIRECTORS' REPORT (Contd.)

Antimicrobial coated cement bags helped to build confidence about the usage of the brand even during such severe corona pandemic. This was launched across the markets of North East, North Bengal & East Bihar.

The last Quarter of the FY saw the launching of Star Cement's First ever Brand Television Commercial with one of the biggest Stars of Bollywood as the Brand Ambassador- Mr. Akshay Kumar.

DIVIDEND

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 FY 20-21 (Previous year NIL).

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 was ₹ 2,981.78 Lakhs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

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**.

CHANGES IN NATURE OF BUSINESS, IF ANY

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

MEETINGS OF THE BOARD

During the year under review Four (4) Board Meetings were convened and held on 25th June, 2020, 11th August, 2020, 11th November, 2020, 08th February, 2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The composition of the Board and the attendance details of the members are given below:

Sl. No.	Name of the Director	Category	No. of Meeting	
			Held	Attended
1.	Mr. Prem Kumar Bhajanka	Managing Director	4	1
2.	Mr. Sajjan Bhajanka	Director	4	4
3.	Mr. Sanjay Agarwal	Director	4	4
4.	Mr. Rajendra Chamaria	Director	4	1
5.	Mr. Pankaj Kejriwal	Director	4	1
6.	Mr. Santanu Ray**	Independent Director	4	4

Sl. No.	Name of the Director	Category	No. of Meeting	
			Held	Attended
7.	Mrs. Clara Suja	Director	4	1
8.	Mr. Pramod Kumar Shah*	Independent Director	4	4
9.	Mr. Emlangky Lamare#	Whole-time Director	-	-
10.	Mr. Nirmalya Bhattacharyya@	Independent Director	-	-

* Mr. Pramod Kumar Shah was appointed as an Additional Director in Independent category w.e.f. 01.04.2020 and regularised at the Annual General Meeting held on 25.09.2020.

Mr. Emlangky Lamare was appointed as an Executive Director in Whole-time Category w.e.f. 08.02.2021.

@ Mr. Nirmalya Bhattacharyya was appointed as an Additional Director in Independent category w.e.f. 01.04.2021.

** Mr. Santanu Ray ceased to be Independent Director and Director of the Company in view of end of directorship tenure on 31.03.2021.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 12th March, 2021 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

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

DIRECTORS' REPORT (Contd.)

affairs of the Company as at 31st March, 2021 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.

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. Mr. Pramod Kumar Shah and Mr. Nirmalya Bhattacharyya 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 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 two (2) year from the date of inclusion of their names in the data bank. Mr. Nirmalya Bhattacharyya (appointed w.e.f. 01st April, 2021) will appear in 'online proficiency test' within the period of 2 (two) years from the date of inclusion of their name in the data bank. Mr. Pramod Kumar Shah had appeared in 'online proficiency test' within the period of two (2) year from the date of inclusion of his name in the data bank and has successfully qualified the test.

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.

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 Twelfth 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 FY ended 31st March, 2021 in the Board Meeting held on 25th June, 2020. The remuneration proposed to be paid to them for the FY 2020-21, as recommended by audit committee, was ratified in the meeting of shareholders held on 25th September, 2020. However, Messrs Sanjib Das & Associates, have expressed their unwillingness to be re-appointed for the FY 2021-22 due to their pre-occupation.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064), as the Cost Auditors of the Company for the FY 2021-22 under section 148 of the Companies Act, 2013. M/s. B. G. Chowdhury & Co. have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members'

DIRECTORS' REPORT (Contd.)

ratification for the remuneration payable to M/s. B. G. Chowdhury & Co., Cost Auditors for the FY 2021-22 is included in the Notice convening the Annual General Meeting.

The cost audit report for the FY 2019-20 was filed with the Ministry of Corporate Affairs on 09th December, 2020.

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.

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.

The Loans given by your Company to its Fellow Subsidiary falling under ambit of Section 186 (2) of the Companies Act, 2013 were within the limits prescribed. Details of the loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the 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.

RESERVES

During the year under review no amount was transferred to reserves.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

(A) Steps taken toward Conservation of energy:

- New pyro jet kiln firing burner installed on July-2020, resulting Power savings 0.3 Kwh/MT of Clinker
- Sinter Cast Blow Bar Installed in Crusher on December-2020, due to that blow bar life increased, maintenance hour reduced. Savings approx. ₹ 7.2 / Mt of material.
- VRM table liner plate replaced on November-2020, due to that specific power reduced 0.75 Kwh/t Clk.
- Blending Silo top 4 Nos. air slide fan and bag filter fan optimised during raw mill off condition, resulting 0.72 Lakhs Kwh per year saving.
- New Refractory material installed on burner pipe with modified design so that burner life increased 6 months from 3 months.
- 50 Nos. of 400W HPSV flood Light fitting replaced with 100W LED flood light fittings resulting saving of 0.65 Lakhs Kwh Per year.
- 10 Nos. of 150 W HPSV street Light fitting replaced with 60 W LED street light fittings resulting saving of 0.039 Lakhs Kwh Per year.
- 50 Nos. of 70 W HPSV bulkhead Light fitting replaced with 30 W LED flood light fittings resulting saving of ₹ 0.087 Lakhs Kwh Per year.

(B) Steps taken toward Technical Absorption:

- During the year under review, your Company incurred Revenue Expenditure of ₹ 13.71 Lakhs (P.Y. ₹ 27.65 Lakhs) and there was Capital expenditure of NIL (PY ₹ 19.01 Lakhs) in Research & Development.

(A) Foreign Exchange Earnings And Outgo

- During the period under review, Foreign Exchange Earning was ₹ 1,791.46 Lakhs (Previous year ₹ 2,577.04 Lakhs) and Foreign Exchange Outgo was ₹ 1801.46 Lakhs (Previous year ₹ 1.31 Lakhs).

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company continued to make substantial contribution towards educational and rural development projects which signifies a steady transformation of rural society both at social and economic levels.

Your Company has taken few major initiatives that are

DIRECTORS' REPORT (Contd.)

benefitting a large number of people and communities in the remote locales for their economic and cultural development.

Your Company has performed several CSR activities throughout the whole FY for the wellbeing of the surrounding society.

HEALTH AND SANITATION:

COVID-19 RELIEF WORK: Your Company extended its support towards the community people who were suffering a lot during the period of nationwide lockdown due to the sudden outbreak of COVID-19. Neighbouring villagers were supported with daily required grocery items, sanitizer and facial masks during the time of need.

EDUCATION

Your Company had always been in the forefront to support growing children in pursuing their basic education. In augmenting the object your Company is promoting education and providing non-formal education to the rural and tribal people through One Teacher School (OTS) i.e., Ekal Vidyalaya run by the Friends of Tribal Society (FTS). The projects aims to reach the education to every doorstep of the country.

- **Student Support:** Students from rural and remote locations of Lumshnong village were supported by the Company. Apart from this your Company also extended support towards needy and meritorious students by way of scholarships and financial assistance for pursuing their studies.
- **School Support:** A better infrastructural condition can provide a better learning environment. Several local schools were supported with new class room construction and providing school infrastructure.
- **School bus service:** Your Company had supported several students of extreme remote locations who face a huge challenge during the daily communication to school. A school bus service is being provided to address the communication issues.

LIVELIHOOD ENHANCEMENT:

The Company's CSR initiatives continues to generate sustainable Livelihood enhancement of the local people living around the plant.

RURAL DEVELOPMENT:

Since several past years your Company extended continuous support towards sustainable development of neighbouring communities. These include construction of several approach and link roads, RCC bridges, local market places, drains etc. in Meghalaya location.

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**.

PERFORMANCE EVALUATION OF THE BOARD

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. Santanu Ray, Independent Director retired from the Board with effect from close of the business hours of 31st March, 2021 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. Santanu Ray 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. Emlangky Lamare (DIN: 09048856) as an Executive Director in Whole-time Category for a period of 3 (three) years effective from 08th February, 2021 upto 07th February, 2024 and Mr. Nirmalya Bhattacharyya (DIN: 09037566) as an additional director in Independent category for a period of 5 (five) years effective from 1st April, 2021 upto 31st March, 2026 subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

Mr. Emlangky Lamare, aged 51 years, having wide knowledge in local Administration, General Management, Governance etc. His association as Director would be beneficial to the Company. Mr. Emlangky Lamare has given his consent for appointment and has confirmed that he does not suffer from any disqualifications for appointment.

DIRECTORS' REPORT (Contd.)

Mr. Nirmalya Bhattacharyya, aged 71 years, is a First Class Master Degree holder in Statistics having more than 50 years of rich experience in Banking, Finance, Accounts, Administration and Social services. He is an Executive Director of Friends of Tribal Society and also an Administrator of MBIT sets of instruments. His association as Director would be beneficial to the Company. Mr. Nirmalya Bhattacharyya 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.

Mr. Bishwajit Singh resigned as Company Secretary and Key Managerial Personnel with effect from 8th April, 2020. The Board places on record its appreciation for the services rendered by Mr. Singh during his tenure with the Company.

Mr. Chandan Sharma was appointed as Company Secretary and Key Managerial Personnel of the Company w.e.f. 20th July, 2020.

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

The following are Key Managerial Personnel of the Company:

- | | | |
|----|-------------------------|---------------------------|
| 1. | Mr. Prem Kumar Bhajanka | - Managing Director |
| 2. | Mr. Amit Kumar Singh | - Chief Financial Officer |
| 3. | Mr. Bishwajit Singh * | - Company Secretary |
| 4. | Mr. Chandan Sharma** | - Company Secretary |

*Mr. Bishwajit Singh, Company Secretary resigned from the services of the Company w.e.f. close of the business hours of 08th April, 2020.

**Mr. Chandan Sharma was appointed as Company Secretary of the Company w.e.f. 20th July, 2020.

HOLDING COMPANY

Your Company continues to remain subsidiary of M/s Star Cement Limited (Formerly Cement Manufacturing Company Limited) which holds 87.49% equity in the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company does not have any subsidiary, associate and joint venture.

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 ₹ 12,346.64 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110 (THC)/2012 against the Company and other Cement and Power Companies in Meghalaya for alleged illegal coal procurement.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government departments. The report of NGT Committee has been founded on the basis of assumptions and not on hard facts. The Company backed by the legal opinions, believed that it has a good case in the matter as the said order was issued on the basis of certain hypothetical assumptions and without giving any opportunity of being heard to the Company.

Accordingly, the Company has preferred an appeal before the Appex Court and accordingly no provisions has been made in the accounts. (Refer Note no. 42 of Notes to Accounts).

- (ii) In respect of receipt of differential excise duty amounting to ₹ 2261.78 Lakhs by the Company and the subsequent rejection of Review Petition by the Supreme Court of India filed by some of the Petitioners against its judgement dated 22.04.2020 in the matter of Union of India Vs. M/s. V.V.F. Limited & Others, the Company has refunded 50% of differential excise duty amounting to ₹ 1127.59 Lakhs which was received by the Company in previous years for which demand letter was issued and also provided balance 50% amounting to ₹ 1134.19 Lakhs. (Refer Note no. 43 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 FY 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

DIRECTORS' REPORT (Contd.)

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 Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations 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.

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"). 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.

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.

COMMITTEES OF THE BOARD

The details of composition of the Committees of the Board of Directors are as under:-

● **Audit Committee**

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process.

During the year under review, the Audit Committee met Four (4) times to deliberate on the various matters. The Meetings were held on 25th June, 2020; 11th August, 2020; 11th November, 2020 and 08th February, 2021.

The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Santanu Ray*	Independent	Chairman	4	4
Mr. Sajjan Bhajanka	Non- Independent	Member	4	4
Mr. Pramod Kumar Shah #	Independent	Member	4	4
Mr. Nirmalya Bhattacharyya@	Independent	Chairman	-	-

*Mr. Santanu Ray ceased to be Independent Director and Director of the Company in view of end of directorship tenure on 31.03.2021.

Mr. Pramod Kumar Shah was appointed as an Additional Director in Independent category and the member of the said committee w.e.f. 01.04.2020.

@ Mr. Nirmalya Bhattacharyya was appointed as an Additional Director in Independent category and member & chairman of the said committee w.e.f. 01.04.2021.

DIRECTORS' REPORT (Contd.)

A Vigil (Whistle Blower) mechanism provides a formal mechanism to the 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. 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. Pursuant to the requirements of the Act, the Company has established vigil mechanism for its directors and employees under the supervision of audit committee. A whistle blower policy setting out the vigil mechanism is already in place in your Company.

● **Nomination & Remuneration Committee**

The Committee identifies, screens and review individuals who are qualified to become Directors, Key managerial Personnel and Senior Management staff. The Committee also makes recommendations to the Board for such appointment and removal and carries out evaluation of every director's performance.

During the year under review, the Committee met Two (2) times to deliberate on the various matters. The Meetings were held on 25th June, 2020 and 08th February, 2021. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Santanu Ray*	Independent	Chairman	2	2
Mr. Sajjan Bhajanka	Non-Independent	Member	2	2
Mr. Pramod Kumar Shah #	Independent	Member	2	2
Mr. Nirmalya Bhattacharyya@	Independent	Chairman	-	-

*Mr. Santanu Ray ceased to be Independent Director and Director of the Company in view of end of directorship tenure on 31.03.2021.

Mr. Pramod Kumar Shah was appointed as an Additional Director in independent category and the member of the said committee w.e.f. 01.04.2020.

@ Mr. Nirmalya Bhattacharyya was appointed as an Additional Director in independent category and member & chairman of the said committee w.e.f. 01.04.2021.

● **Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee was constituted as per the requirements of Section 135 of the Companies Act, 2013 at the Board level. During the year, your Company has carried out various activities as part of its CSR initiative. The focus areas have been health care, education, sustainable livelihood, infrastructure and social reform.

During the year, the Committee met on 25th June, 2020. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sanjay Agarwal	Non-Independent	Chairman	1	1
Mr. Sajjan Bhajanka	Non-Independent	Member	1	1
Mr. Pramod Kumar Shah #	Independent	Member	1	1

Mr. Pramod Kumar Shah was appointed as an additional director in independent category and the member of the said committee w.e.f. 01.04.2020.

● **Finance Committee**

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

During the year under review, the Finance Committee met Three (3) times to deliberate on the various matters. The Meetings were held on 11.08.2020, 07.01.2021 and 22.02.2021. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sajjan Bhajanka	Non-Independent	Chairman	3	3
Mr. Sanjay Agarwal	Non-Independent	Member	3	3
Mr. Rajendra Chamaria	Non-Independent	Member	-	-

DIRECTORS' REPORT (Contd.)

HUMAN AND INDUSTRIAL RELATIONS

Employee relationship with your Company continues to remain cordial and harmonious. Your Directors place on record their appreciation for the continued support rendered by the employees of the Company.

The Company is continuing its efforts in induction of local managerial and non-managerial employees and has conducted regular recruitment and training programs for development of required skills at the local level.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure - 5** and forms part of this report. The Company has no employee whose remuneration exceeds the limit prescribed under section

197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the assistance and cooperation received from the Banks, financial Institutions, Government Authorities, Local authorities, customers, vendors, business partners/ associates and Holding Company 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.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 8th June, 2021

Prem Kumar Bhajanka
Managing Director
(DIN: 00591512)

Sajjan Bhajanka
Director
(DIN: 00246043)

ANNEXURE - 1

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2021

[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	U63090ML2005PLC008011
2	Registration Date	Incorporated on 22nd December, 2005
3	Name of the Company	Star Cement Meghalaya 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 -278215/16/18
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Share Transfer Agent, if any.	Maheswari Datamatics Private Limited, 23 R.N. Mukherjee Road, 5th Floor, Kolkata, West Bengal - 700001, Phone: 022-2248; 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 Clinker	23941	99.91

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	Star Cement Limited Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L26942ML2001PLC006663	Holding	87.49	2(46)

ANNEXURE - 1 (Contd.)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st-April-2020]				No. of Shares held at the end of the year [As on 31st-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) *Individual/ HUF	-	6	6	0.00	-	6	6	0.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	29,817,812	29,817,812	100.00	-	29,817,812	29,817,812	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub -total (A) (1)	-	29,817,818	29,817,818	100.00	-	29,817,818	29,817,818	100.00	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A) (1) + (A) (2)	-	29,817,818	29,817,818	100.00	-	29,817,818	29,817,818	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto 1 Lakhs	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of 1 Lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	29,817,818	29,817,818	100.00	-	29,817,818	29,817,818	100.00	-

*6 individuals holding one share each as nominees of Star Cement Limited.

ANNEXURE - 1 (Contd.)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		[As on 1st-April-2020]			[As on 31st-March-2021]			
		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	Star Cement Limited. *	26,088,656	87.49	-	26,088,656	87.49	-	-
2	Megha Technical & Engineers Pvt. Ltd.	3,729,162	12.51	-	3,729,162	12.51	-	-
Total		29,817,818	100.00	-	29,817,818	100.00	-	-

*Star Cement Limited alongwith its 6 nominees.

(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
	At the beginning of the year						
	Changes during the year						
	At the end of the year						
No Change during the year							

(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
	At the beginning of the year						
	Changes during the year						
	At the end of the year						
NOT APPLICABLE							

(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	Mr. Prem Kumar Bhajanka (Managing Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2021		-	-	-	-
2	Mr. Emlangky Lamare (Executive Director w.e.f 08.02.2021)						
	At the beginning of the year	08.02.2021		-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2021		-	-	-	-
3	Mr. Sajjan Bhajanka (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2021		-	-	-	-

ANNEXURE - 1 (Contd.)

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
4	Mr. Sanjay Agarwal (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
5	Mr. Rajendra Chamarla (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
6	Mr. Pankaj Kejriwal (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
7	Mrs. Clara Suja (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
8	Mr. Pramod Kumar Shah (Independent Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
9	Mr. Santanu Ray (Independent Director upto 31.03.2021)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
10	Mr. Amit Kumar Singh (Chief Financial Officer)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-
11	Mr. Bishwajit Singh (Company Secretary upto 08.04.2020)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	08.04.2020		-	-	-	-
12	Mr. Chandan Sharma (Company Secretary w.e.f 20.07.2020)						
	At the beginning of the year	20.07.2020		-	-	-	-
	Changes during the year			No Change during the year			
	At the end of the year	31.03.2021		-	-	-	-

ANNEXURE - 1 (Contd.)**V. INDEBTEDNESS**

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	398.28	-	-	398.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.65	-	-	6.65
Total (i+ii+iii)	404.93	-	-	404.93
Change in Indebtedness during the financial year#				
* Addition	600.90	-	-	600.90
* Reduction	(196.59)	-	-	(196.59)
Net Change	404.32	-	-	404.32
Indebtedness at the end of the financial year				
i) Principal Amount	808.71	-	-	808.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.53	-	-	0.53
Total (i+ii+iii)	809.24	-	-	809.24

** 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:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Mr. Prem Kumar Bhajanka	Mr. Emlangky Lamare	
	Designation	Managing Director	Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	198.00	1.75	199.75
	(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	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	198.00	1.75	199.75
	Ceiling as per the Act	10% of the Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹ 378.77 Lakhs		

ANNEXURE - 1 (Contd.)

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lakhs)
		Mr. Santanu Ray	Mr. Pramod Kumar Shah	Mrs. Clara Suja	
1	Independent Directors				
	Fee for attending Board /Committee meetings	0.40	0.43	-	0.83
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.40	0.43	-	0.83
2	Other Non-Executive Directors				
	Fee for attending Board /Committee meetings	-	-	0.05	0.05
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	0.05	0.05
	Total (B)=(1+2)	0.40	0.43	0.05	0.88
	Total Managerial Remuneration				200.63
	Overall ceiling as per the Act	11% of Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹ 416.64 Lakhs			

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹ in Lakhs)
		Mr. Amit Kumar Singh	Mr Bishwajit Singh	Mr. Chandan Sharma	
	Designation	Chief Financial Officer	Company Secretary#	Company Secretary*	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.00	0.10	4.18	14.28
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	10.00	0.10	4.18	14.28

Resigned as Company Secretary with effect from 8th April, 2020.

* Appointed w.e.f. 20th July, 2020.

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)
------	------------------------------	-------------------	-----------------------------------------------------------	------------------------------	------------------------------------

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 31st MARCH, 2021

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

To
The Members,

STAR CEMENT MEGHALAYA LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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, 2021, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder [Not applicable to the Company during the audit period];
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI were not applicable.
- 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.

ANNEXURE - 2 (Contd.)

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

We further report that during the audit period, the Company has passed Special Resolution for re-appointment of Mr. Prem Kumar Bhajanka (DIN: 00591512) as the Managing Director of the Company

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

For MKB & Associates

Company Secretaries
Firm Reg. No.: P2010WB042700

Raj Kumar Banthia

Date: 08th June, 2021
Place: Kolkata
UDIN: A017190C000434970

Partner
Membership no. ACS 17190
COP no. 18428

ANNEXURE - 1

To
The Members,

STAR CEMENT MEGHALAYA LIMITED

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

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

Regulations, Guidelines and Directions and happening 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: Due to continuing Covid-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.

For MKB & Associates

Company Secretaries
Firm Reg. No.: P2010WB042700

Raj Kumar Banthia

Date: 08th June, 2021
Place: Kolkata
UDIN: A017190C000434970

Partner
Membership no. ACS 17190
COP no. 18428

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 Limited, Holding 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 Limited includes:

(i) Sale of Clinker, River Sand, Coal, Store and Spares Materials, Fixed Asset Items

(ii) Purchase of Iron Ore, Sand Stone, Store and Spare Materials, Cement, Limestone and Fixed Asset Items

(iii) Services Rendered

The transaction value for the FY 20-21 with SCL was ₹ 69,004.10 Lakhs.

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

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

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 8th June, 2021

Prem Kumar Bhajanka
Managing Director
(DIN: 00591512)

Sajjan Bhajanka
Director
(DIN: 00246043)

ANNEXURE - 4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline on the Company's CSR policy:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 as and when amended. The main objective of the policy is to establish the basic principles and the general framework of action for management to undertake and fulfil its Corporate Social Responsibility.

2. The composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Agarwal	Chairman (Non-Executive Director)	1	1
2	Mr. Sajjan Bhajanka	Member (Non-Executive Director)	1	1
3	Mr. Pramod Kumar Shah	Member (Independent Director)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: NOT APPLICABLE

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

NOT APPLICABLE

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NOT APPLICABLE

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			
	Total		

6. Average Net Profit of the Company for last 3 financial years: ₹ 8,065.32 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 161.31 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 161.31 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
183.74 Lakhs					NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

NOT APPLICABLE

ANNEXURE - 4 (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Education - Through One Teacher school (O.T.S.) i.e. Ekal Vidyalaya	Item No. (ii) - Promoting Education	No	Throughout the Country		14.30	Yes	Not Applicable	
2.	Education -Scholarship for students, school bus services and development of school infrastructure	Item No.(ii) - Promoting Education	Yes	Meghalaya	Lumshnong	41.44	No	Lumshnong Village Local Area Welfare Trust	CSR00004263
3.	Health & Sanitation	Item No. (i) - Promoting health care including preventive health care	Yes	Meghalaya	Lumshnong	19.68	No	Lumshnong Village Local Area Welfare Trust	CSR00004263
4.	Contribution made to Vanvasi Raksha Foundation for helping people who works at forest	Item No. (ii) - Livelihood & Enhancement of Skill Building	No	Meghalaya	Lumshnong	20.00	Yes	Not Applicable	
5.	Rural & Infrastructure Development	Item No. (x) - Rural & Infrastructure Development	Yes	Meghalaya	Lumshnong	88.32	No	Lumshnong Village Local Area Welfare Trust	CSR00004263
Total						183.74			

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 183.74 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	161.31
(ii)	Total amount spent for the Financial Year	183.74
(iii)	Excess amount spent for the financial year [(ii)-(i)]	22.43
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	22.43

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

ANNEXURE - 4 (Contd.)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – Not Applicable

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). – Not Applicable

Prem Kumar Bhajanka

Managing Director

Sanjay Agarwal

Chairman – CSR Committee

Place: Kolkata

Date: 08th June, 2021

ANNEXURE - 5

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. Alok Gupta	A.V.P. Civil	64.46	Permanent	B.E. Civil	32	14.04.2007	56	Shree Cement Ltd.	NIL	None
2	Mr. Manoj Sovasaria	General Manager - Supply Chain Management	46.41	Permanent	B.Com (Hons), P.G.D.B.A.	29	01.10.2002	47	Barak Valley Cements Ltd.	NIL	None
3	Mr. Ramesh Chand Pareek	General Manager - Accounts	46.08	Permanent	Commerce Graduate	39	01.07.2014	59	Barak Valley Cements Ltd.	NIL	None
4	Mr. Yugal Kishore Singh	Senior General Manager – Quality Control	31.04	Permanent	M. Sc (In-Organic Chemistry) PG Diploma in Mkt. & Sales	28	14.11.2017	56	-	NIL	None
5	Mr. Arun Kumar Sharma	Sr. Manager - Purchase	25.86	Permanent	Commerce Graduate	26	03.09.2012	55	Heidelberg Cement India Ltd.	NIL	None
6	Mr. Jyoti Prakash Sinha	Deputy General Manager - Stores & Purchase	25.13	Permanent	Diploma in Materials Management	34	25.05.2011	55	Buckau Wolf India Ltd.	NIL	None
7	Mr. Sandeep Jalan	General Manager – Supply Chain Management	22.46	Permanent	Graduate	23	01.11.2009	53	-	NIL	Brother-in-law of Shri Rajendra Chamaria
8	Mr. Rakesh Kumar	Assistant General Manager - HR	20.37	Permanent	MBA, B.Sc (H)	20	26.12.2013	47	Electrical Manufacturing Limited	NIL	None
9	Mr. Sauraditya Das	Senior Manager – Sales & Marketing	17.55	Permanent	B.Com, PMBA	21	09.07.2012	50	Adhunik Cement	NIL	None
10	Mr. Sushil Kumar Kulshrestha	General Manager - Process	16.51	Permanent	M.Sc, PGDC, MBA (Operation)	28	16.10.2012	51	Loesche India Pvt. Ltd.	NIL	None

INDEPENDENT AUDITOR'S REPORT

To the Members of **Star Cement Meghalaya Limited**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Financial Statements of **Star Cement Meghalaya Limited** (the "Company"), which comprise the Balance Sheet as at 31st March, 2021, 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 Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, the profit and other comprehensive income, changes in equity and the 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 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 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. 50 to the Financial Statements which explain the uncertainties and the management's assessment of the financial impact due 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 judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the 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 Matter	Auditor's Response
1	<p>Related Party Transactions</p> <p>Refer Note no. 41 to the Financial Statements.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Financial Statements as a key audit matter due to:</p> <ul style="list-style-type: none"> ● the significance of transactions with related parties during the year ended 31st March, 2021, necessitated to be at arm's length, significant cash flow between parties, intercompany contracts, and common management amongst other things. ● the fact that the Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015. 	<p>Our audit procedures in relation to the evaluation and disclosure of related party transactions included:</p> <ul style="list-style-type: none"> - 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 Financial Statements. - 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. - Review of confirmation and reconciliation process and analytical review of various account balances and transaction balances amongst other things. - Assessing management's evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015. - Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.

INDEPENDENT AUDITOR'S REPORT (Contd.)

S. No.	Key Audit Matter	Auditor's Response
2	<p>Litigation, Claims and Contingent Liabilities (Refer Note no. 42 to the Financial Statements)</p> <p>Provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims.</p> <p>The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter. These estimates could change significantly over time as new facts emerge and each legal case progresses.</p> <p>The Company is involved in legal proceedings on disputed tax demands. The company's management has assessed that the probability of success of the demand is remote and accordingly has not provided for the disputed demands.</p> <p>This has been considered a key audit matter in view of the uncertain outcome of the litigations and involvement of significant management judgement in assessing the probability of outflow of economic resources.</p>	<p>Our audit procedures to assess the appropriateness of provisions and adequacy of disclosures included:</p> <ul style="list-style-type: none"> - Reviewing the outstanding litigations against the Company for consistency with the previous years. Enquiring and obtaining explanations for movement during the year. - Reading the latest correspondence between the Company and the various tax/legal authorities - Discussing the status of significant litigation with the Company's in-house Legal Counsel and other senior management personnel and assessing their responses. - On sample basis, examine the Company's legal expenses and read the minutes of the board meetings, in order to ensure all cases have been identified. - With respect to tax matters, discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. - For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company's disclosures with regard to facts and circumstances of the legal and litigation matters <p>On the basis of the above procedures performed, we considered the management's assessment in respect of contingencies and provision for taxes and other litigations and claims to be reasonable and disclosures to be appropriate.</p>

Information Other than the 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 Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 of Management and Those Charged with Governance for 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 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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's 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

of these records electronically submitted to us. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lockdown 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 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 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to the financial statements 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 Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 42 to the 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 were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021.
3. With respect to the matter 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 current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

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.

For D.K.Chhajer & Co.

Chartered Accountants

Firm Registration No.: 304138E

Manoj K Roongta

Partner

Place: Kolkata

Membership No.: 057761

Date: 08th June, 2021

UDIN: 21057761AAAAAL4741

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 physical verification to cover all the items of its at regular intervals of time, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the records of the Company examined by us and 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 has been physically verified by the Management at reasonable intervals during the year. The discrepancies noticed on verification between the physical stock and the book records have been properly dealt with in the books of account.
- 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 covered under Section 185 of the Act, and hence not commented upon. The Company has not made any investments and guarantees to the parties covered under Section 186 of the Act. In respect of loans 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 Section 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, Income tax, Goods and Service tax, Customs Duty, cess and any other statutory dues, as applicable, with the appropriate authorities.
- In our opinion and 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, 2021 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of dues of Income Tax, Excise Duty, Royalty and VAT/GST/MEPRF on Coal not deposited by the Company on account of dispute 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
Income Tax Act, 1961	Demand Payable	2,930.76	A.Y-2017-18	Additional Commissioner of Income Tax/Income-tax Officer, National e-Assessment Centre, Delhi
MMDR, GST & VAT ACT	Royalty, MEPR, GST/VAT	12,346.64	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)/term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- x. In our opinion and according to the information and explanations given to us, no 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. According to the information and explanation given to us and the records of the Company examined by us, 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 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

Manoj K Roongta
Partner

Place: Kolkata
Date: 08th June, 2021

Membership No.: 057761
UDIN: 21057761AAAAAL4741

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to financial statements of Star Cement Meghalaya Limited ("the Company") as at 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included

obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, 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

Manoj K Roongta

Partner

Place: Kolkata

Membership No.: 057761

Date: 08th June, 2021

UDIN: 21057761AAAAAL4741

BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	21,327.61	23,391.19
(b) Capital work-in-progress	2.1	1,552.02	1,356.07
(c) Right-of-use assets	2.2	4.59	1.30
(d) Intangible assets	2.3	4.03	2.25
(e) Financial assets			
(i) Loans	3	4,857.87	6,424.25
(ii) Other financial assets	4	1.72	0.22
(f) Deferred tax assets (net)	5	9,080.23	8,642.51
(g) Non current tax asset (net)	6	106.91	85.25
(h) Other non-current assets	7	1,893.69	1,701.81
Total non-current assets		38,828.67	41,604.85
(2) Current assets			
(a) Inventories	8	11,926.94	13,256.85
(b) Financial assets			
(i) Trade receivables	9	11,008.56	4,821.31
(ii) Cash and cash equivalents	10	1,894.92	213.68
(iii) Bank balances other than (ii) above	11	4,794.04	185.66
(iv) Loans	12	2,626.19	2,621.20
(c) Other current assets	13	11,189.20	14,704.95
Total current assets		43,439.85	35,803.65
Total assets		82,268.52	77,408.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	2,981.78	2,981.78
(b) Other equity	15	68,898.94	65,113.53
Total equity		71,880.72	68,095.31
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	18.74	73.11
(ii) Other financial liabilities (Incl. Lease Liabilities)	17	11.37	13.66
(b) Provisions	18	119.10	98.24
(c) Other non current liabilities	19	954.06	1,142.93
Total non-current liabilities		1,103.27	1,327.94
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	735.60	128.57
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		137.09	2.69
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,119.24	3,670.02
(iii) Other financial liabilities (Incl. Lease Liabilities)	21	2,642.23	2,383.92
(b) Provisions	22	63.66	67.23
(c) Other current liabilities	23	2,586.71	1,732.82
Total current liabilities		9,284.53	7,985.25
Total liabilities		10,387.80	9,313.19
Total equity and liabilities		82,268.52	77,408.50
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For D. K Chhajer & Co.

Chartered Accountants

Firm Registration No.: 304138E

Manoj K Roongta

Partner

Membership No. : 057761

Amit Kumar Singh

Chief Financial Officer

Prem Kumar Bhajanka

Managing Director

DIN:00591512

Chandan Sharma

Company Secretary

Sajjan Bhajanka

Director

DIN:00246043

Place : Kolkata

Date: 8th June,2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
INCOME			
Revenue from operations	24	58,954.09	60,888.08
Other income	25	887.63	851.20
Total income		59,841.72	61,739.28
EXPENSES			
Cost of materials consumed	26	5,290.68	6,489.62
Changes in inventories of finished goods and work-in-progress	27	(1,602.18)	(1,069.51)
Employee benefit expenses	28	3,277.62	3,204.25
Finance costs	29	108.40	180.26
Depreciation and amortization expenses	30	2,861.22	3,423.60
Other expenses	31	43,856.63	43,296.14
Total expenses		53,792.37	55,524.36
Profit before exceptional item & tax		6,049.35	6,214.92
Exceptional items (refer note no. 43)		2,261.78	-
Profit before tax		3,787.57	6,214.92
TAX EXPENSES			
-Current tax	33	441.61	867.96
-Income Tax for Earlier years		3.89	(4.85)
-Deferred tax		(442.21)	(864.08)
Total tax expense		3.29	(0.97)
Profit for the year		3,784.28	6,215.89
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	35	1.73	(11.12)
Income Tax related to above		(0.61)	3.89
Other comprehensive income for the year (net of tax)		1.12	(7.23)
Total comprehensive income for the year		3,785.40	6,208.66
Earnings per equity share (face value of ₹ 10/- each)			
Basic earning per share (In ₹)	34	12.69	20.85
Diluted earning per share (In ₹)	34	12.69	20.85
Significant Accounting Policies & Notes on Accounts	1		

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

Manoj K Roongta

Partner

Membership No. : 057761

Place : Kolkata

Date: 8th June, 2021

For and on behalf of the Board of Directors

Amit Kumar Singh

Chief Financial Officer

Prem Kumar Bhajanka

Managing Director

DIN:00591512

Chandan Sharma

Company Secretary

Sajjan Bhajanka

Director

DIN:00246043

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
As at 1st April, 2019	2,981.78
Changes in equity share capital	-
As at 31st March, 2020	2,981.78
Changes in equity share capital	-
As at 31st March, 2021	2,981.78

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 1st April, 2019	17,416.22	41,488.65	58,904.87
Profit for the year (a)	-	6,215.89	6,215.89
Other comprehensive income/(loss) (net of tax) for the year (b)	-	(7.23)	(7.23)
Total comprehensive income for the year (a + b)	-	6,208.66	6,208.66
Balance as at 31st March, 2020	17,416.22	47,697.31	65,113.53

(₹ in Lakhs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 1 April, 2020	17,416.22	47,697.31	65,113.53
Profit for the year (a)	-	3,784.28	3,784.28
Other comprehensive income/(loss) (net of tax) for the year (b)	-	1.13	1.13
Total comprehensive income for the year (a + b)	-	3,785.41	3,785.41
Balance as at 31st March, 2021	17,416.22	51,482.72	68,898.94

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For D. K Chhajer & Co.

Chartered Accountants

Firm Registration No.: 304138E

Manoj K Roongta

Partner

Membership No. : 057761

Amit Kumar Singh

Chief Financial Officer

Prem Kumar Bhajanka

Managing Director

DIN:00591512

Chandan Sharma

Company Secretary

Sajjan Bhajanka

Director

DIN:00246043

Place : Kolkata

Date: 8th June,2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	3,787.57	6,214.92
Adjustments for :		
Depreciation [refer note 30]	2,861.22	3,423.60
Unrealised Foreign Exchange (Gain) / Loss- on export receivable	-	(29.22)
Profit/ loss on sale of property,plant & equipment	0.12	1.10
Interest Income [refer note 25]	(887.63)	(766.93)
Interest Expenses [refer note 29]	108.40	158.42
Provision for Leave Encashment	44.18	49.49
Provision for Gratuity	138.57	115.98
Loss on Discard of Fixed Assets	27.68	-
Operating Profit before working Capital changes	6,080.11	9,167.36
Adjustments for :		
(Increase)/Decrease in Inventories	1,329.91	1,262.42
(Increase)/Decrease in Trade receivables	(6,187.25)	(326.73)
(Increase)/Decrease in Other receivables	1,561.38	(2,473.50)
(Increase)/Decrease in Other assets	3,638.48	(3,357.83)
(Increase)/Decrease in Trade and Other payables	(416.39)	(1,991.70)
(Increase)/Decrease in Other liabilities and provision	701.44	(147.16)
Cash Generated form Operations	6,707.68	2,132.86
Income Tax Paid	(390.00)	(850.00)
Net Cashflow from Operating Activities	6,317.68	1,282.86
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property ,Plant and Equipment (including CWIP)	(1,030.82)	(973.15)
Sale of Property ,Plant and Equipment (including CWIP)	7.64	5.11
Investments in Fixed Deposits/Margin Money (Net)	(4,609.89)	(10.22)
Interest Received	548.07	690.70
Net Cash used in Investing Activities	(5,085.00)	(287.56)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings / Liabilities	(54.37)	(73.76)
Repayment of Short Term Borrowings	607.02	(1,955.60)
Interest paid	(107.99)	(158.42)
Payment for Lease Liability	3.90	1.11
Net Cash used in Financing Activities	448.56	(2,186.67)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	1,681.24	(1,191.37)
Cash and Cash Equivalents [refer note 10]		
Opening Balance	213.68	1,405.05
Closing Balance	1,894.92	213.68

Notes:

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7).
- For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Cash in hand	29.56	1.85
Cheques in hand	43.52	106.60
Balance with Banks	1,821.84	105.23
Total	1,894.92	213.68

Note:

Significant non-cash movement in borrowings during the year include:

- a) recognition of finance leases ₹ Nil (31st March, 2020: ₹ 153.97 Lakhs)

As per our report of even date

For and on behalf of the Board of Directors

For D. K Chhajer & Co.

Chartered Accountants

Firm Registration No.: 304138E

Manoj K Roongta

Partner

Membership No. : 057761

Amit Kumar Singh

Chief Financial Officer

Prem Kumar Bhajanka

Managing Director

DIN:00591512

Place : Kolkata

Date: 8th June,2021

Chandan Sharma

Company Secretary

Sajjan Bhajanka

Director

DIN:00246043

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Star Cement Meghalaya Limited ("the Company") is a Public Limited Company domiciled in India and incorporated on 22nd December, 2005 as per the provisions of Companies Act 1956. The Company is engaged in manufacturing of Cement Clinker. The manufacturing unit of the Company is located at Lumshnong, Meghalaya. The Company is selling its product across North Eastern and Eastern states of India and also exporting to Bhutan and Nepal.

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], amendments thereto and other relevant provisions of the Act.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 08-06-2021.

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:

- Net defined benefit asset/liability which is Fair value of plan assets less present value of defined benefit obligations
- Certain financial assets and financial liabilities 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 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 financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

- (i) Classification of legal matters and tax litigation
- (ii) Defined benefit obligations
- (iii) Useful life of property, plant and equipment
- (iv) Leases Ind AS 116

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 (INR), which is Star Cement Meghalaya Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss. All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

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.

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, amortisation and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. Railway sidings the ownership of which vests with the Railway authorities are depreciated over five years.

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work in Progress

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets"

Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, until the project is ready for its intended use 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 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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

1.5 Intangible Asset

An intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

1.7 Leases

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 recognised, initial direct costs incurred, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset and lease payments made at or before the commencement date less any lease incentives received. After the commencement date, the Right of use assets are measured applying the Cost 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 recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the 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 recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/reimbursement of any particular item of expenses are recognised in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Balance Sheet as deferred income, are recognised 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 spare parts, fuel and packing material:

Raw materials, stores and spares and fuel and packing material are valued at lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-progress, finished goods and stock in trade:

Work-in-progress, finished goods and stock in trade are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.10 Investments and Other Financial Assets**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments (except associate) 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 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 Company has not retained control of the financial asset.

1.11 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

1.12 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and demand deposits with banks and other short-term highly liquid investments/deposits that are readily convertible into cash which are subject to insignificant risk of changes in value with an original maturity of three months or less.

1.13 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.

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.

1.14 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.

1.15 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time for its intended use to get ready for its intended use. All other borrowing costs are recognised as expenses 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.

1.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 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.

1.17 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.

1.18 (A) Revenue Recognition

Revenue from sale of goods is recognised when control of the products has been transferred, 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.

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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

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/dispensed 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 from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

1.19 Employee Benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly

within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

(iii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

(iv) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the Balance Sheet date.

1.20 Tax Expenses

Tax expense comprises current tax and deferred tax. Provision for 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 financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred taxes are recognised in the statement of profit and loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognised to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period

1.21 Earnings Per Share

Basic earnings per share is 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.

1.22 Provisions and Contingencies

A Provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

1.23 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

1.24 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Particulars	(₹ in Lakhs)										Total	
	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicles & Equipments	Tools & Tackles			
Gross carrying Value												
At 1st April, 2019	3,170.46	7,015.17	1,837.47	29,660.43	57.18	20.19	44.11	1,499.67	139.30			43,443.98
Addition	63.47	14.96	358.20	181.24	18.53	2.09	5.47	386.74	27.26			1,057.94
Disposals/deductions/adjustment	-	-	-	21.07	-	10.87	-	5.60	0.51			38.05
At 1st April, 2020	3,233.93	7,030.13	2,195.67	29,820.59	75.71	11.40	49.58	1,880.82	166.06			44,463.88
Addition	410.68	36.68	12.06	194.78	0.65	3.94	12.48	391.52	2.15			1,064.94
Disposals/deductions/adjustment	-	-	-	29.09	0.37	0.04	4.95	76.74	1.40			112.59
At 31st March, 2021	3,644.61	7,066.81	2,207.72	29,986.28	75.99	15.30	57.11	2,195.60	166.81			45,416.23
Accumulated Depreciation												
At 1st April, 2019	-	1,813.02	725.56	13,894.80	32.28	13.27	35.45	788.70	77.89			17,380.96
charge for the year	-	494.87	106.18	2,831.97	8.91	2.65	3.39	256.74	18.72			3,723.43
Disposals/deductions/adjustment	-	-	-	17.88	-	9.67	-	3.75	0.44			31.73
At 1st April, 2020	-	2,307.89	831.75	16,708.89	41.18	6.25	38.84	1,041.70	96.17			21,072.66
charge for the year	-	449.38	146.38	2,207.47	8.78	2.32	6.36	254.17	18.36			3,093.22
Disposals/deductions/adjustment	-	-	-	20.60	0.29	0.02	4.33	50.88	1.14			77.26
At 31st March, 2021	-	2,757.27	978.13	18,895.76	49.67	8.55	40.87	1,244.99	113.39			24,088.62
Net Carrying Value												
At 31st March, 2020	3,233.93	4,722.24	1,363.92	13,111.71	34.52	5.15	10.74	839.11	69.89			23,391.19
At 31st March, 2021	3,644.61	4,309.54	1,229.59	11,090.52	26.32	6.75	16.24	950.61	53.42			21,327.61

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

2.1 CAPITALISATION OF EXPENDITURES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Balance at the beginning of the year included in capital work-in-progress	1,356.07	1,443.42
Add : Expenditure during construction for projects	355.66	383.09
Less : Capitalised during the year	159.72	470.43
Balance at the end of the year included in capital work-in-progress	1,552.02	1,356.07

2.2 RIGHT-OF-USE ASSETS

Particulars	(₹ in Lakhs)	
	Non Factory Building	
Gross Carrying Value		
At 1st April ,2019		-
Addition (Transitional impact on adoption of Ind AS 116)		2.34
Disposals		-
At 1st April ,2020		2.34
Addition		6.88
Disposals		-
At 31 March ,2021		9.22
Accumulated Depreciation		
At 1st April ,2019		-
charge for the year		1.04
Disposals/deductions/adjustment		-
At 1st April ,2020		1.04
charge for the year		3.59
Disposals/deductions/adjustment		-
At 31st March ,2021		4.63
Net Carrying Value		
At 31st March ,2020		1.30
At 31st March,2021		4.59

2.3 INTANGIBLE ASSETS

Particulars	(₹ in Lakhs)	
	Intangible Assets	
Gross carrying Value		
At 1st April ,2019		5.59
Addition		2.55
Disposals/deductions/adjustment		-
At 1st April ,2020		8.14
Addition		3.20
Disposals/deductions/adjustment		-
At 31st March,2021		11.34
Accumulated Depreciation		
At 1st April ,2019		4.41
charge for the year		1.48
Disposals/deductions/adjustment		-
At 1st April ,2020		5.88
charge for the year		1.43
Disposals/deductions/adjustment		-
At 31st March,2021		7.31
Net Carrying Value		
At 31st March ,2020		2.25
At 31st March,2021		4.03

Note :

- a) During the year company has discarded /sold property,plant & equipment amounting to ₹ 112.59 Lakhs (₹ 38.05 Lakhs as on 31st March, 2020).

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

3. LOANS - NON CURRENT

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Security deposits	7.87	9.25
Loan to related party (refer note no. 41)	4,850.00	6415.00
	4,857.87	6,424.25

Term loan to related party (fellow subsidiary) is long term in nature i.e. receivable in 5 years.

4. OTHER FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Balances with banks held as Margin money deposits with original maturity of more than 12 months	1.72	0.22
	1.72	0.22

4.1 The bank balance disclosed above represents margin money against bank guarantee.

5. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Deferred tax assets		
MAT credit entitlement	9,080.23	8,642.51
	9,080.23	8,642.51

6. NON CURRENT TAX ASSET (NET)

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Advance income tax & TDS Receivable (net of provision for taxation of ₹ 1416.48 Lakhs, as at 31st March, 2020 ₹ 867.96 Lakhs)	106.91	85.25
	106.91	85.25

7. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Capital advances		
Secured, considered good	92.07	-
Unsecured, considered good	1,793.35	1,693.54
Security deposits	8.27	8.27
	1,893.69	1,701.81

7.1 Capital Advances includes advance against land of ₹ 1,662.79 Lakhs. The Company is in the process of getting registration in its name.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

8. INVENTORIES (VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Raw materials (including in transit as at 31st March, 2021 - ₹ NIL & 31st March, 2020 ₹ NIL)	831.08	774.11
Work - in - process	183.00	300.32
Finished goods (including in transit as at 31st March, 2021 - ₹ NIL & 31st March, 2020 ₹ 9.23 Lakhs)	3,807.06	2,087.56
Fuels & lubricants	5,189.62	8,734.27
Store & spare parts	1,916.18	1,360.59
	11,926.94	13,256.85

9. TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Unsecured, considered good		
Trade receivable	11,008.56	4,821.31
	11,008.56	4,821.31

10. CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Cash in hand	29.56	1.85
Cheques in hand	43.52	106.60
Balances With Banks:		
- In Current Accounts	281.72	89.19
- In Fixed Deposit accounts with original maturity of upto 3 months	1,540.12	16.04
	1,894.92	213.68

11. BANK BALANCES OTHER THAN NOTE 10 ABOVE

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months [Refer note 11.1 below]	196.18	185.66
In Fixed Deposit accounts with original maturity of more than 3 months and upto 12 months	4,597.86	-
	4,794.04	185.66

11.1 The bank balance disclosed above represents margin money against bank guarantee.

12. LOANS - CURRENT

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Unsecured, considered good		
- Security Deposit	1.65	1.47
Others		
- Loans to Body Corporate (Other than related parties)	2,624.54	2,619.73
	2,626.19	2,621.20

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

13. OTHER CURRENT ASSETS

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Unsecured , considered good		
-Stamp Papers in Hand	0.40	-
-Advances to suppliers for goods	3,303.02	1,146.96
-Advances against services & Expenses	6.26	66.15
-Advances to employee	13.21	28.89
-Balances with statutory/Government authorities	141.02	634.42
-Subsidies/ incentives receivable from central/State government	7,332.51	12,586.63
-Prepaid expenses	155.55	143.27
-Interest/Claim Receivable	237.23	98.63
Unsecured , considered doubtful		
-Advance to supplier	4.35	4.35
Less: Allowance for bad & doubtful advances	(4.35)	(4.35)
	11,189.20	14,704.95

14. EQUITY SHARE CAPITAL

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Authorised Capital		
3,00,00,000 (3,00,00,000 as at 31st March, 2020) Equity Shares fully paid up	3,000.00	3,000.00
Issued, subscribed & paid up		
2,98,17,818 (2,98,17,818 as at 31st March, 2020) Equity Shares fully paid up	2,981.78	2,981.78
	2,981.78	2,981.78

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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 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) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)		
Equity Share Capital	No. of Shares	No. of Shares
At the beginning of the year	2,98,17,818	2,98,17,818
Buyback during the Year	-	-
Outstanding at the end of the year	2,98,17,818	2,98,17,818

c) Shares held by holding company

(₹ in Lakhs)		
Star Cement Limited	No. of Shares	No. of Shares
Equity shares of ₹ 10/- each fully paid	2,60,88,656	2,60,88,656
(All the shares are held by M/s Star Cement Limited, the Holding Company and its nominees)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

d) Details of shareholders holding more than 5% of Equity Shares in the company

(₹ in Lakhs)

Name of the Shareholders	No. of Shares (% of holding)	No. of Shares (% of holding)
Star Cement Limited, holding company	2,60,88,656 87.49%	2,60,88,656 87.49%
Megha Technical & Engineers Private Limited, subsidiary of Holding Comapnay	37,29,162 12.51%	37,29,162 (12.51%)

14.1 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 of shares.

15. OTHER EQUITY

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Securities premium		
Opening balance	17,416.22	17,416.22
Addition/ (deduction) during the year	-	-
Closing Balance	17,416.22	17,416.22
Retained earnings		
Opening balance	47,697.31	41,488.65
Profit / (loss) for the year	3,784.28	6,215.89
	51,481.59	47,704.54
Remeasurements of post-employment benefit obligations	1.13	(7.23)
	51,482.72	47,697.31
Total	68,898.94	65,113.53

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

16. BORROWINGS

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Secured		
Long term maturities of finance lease obligations		
- Hire purchase finance from banks (Refer Note 16.1)	73.12	269.70
	73.12	269.70
Less:- Current maturities of long term borrowings	(54.38)	(196.59)
	18.74	73.11

16.1 Hire Purchase Finance is secured by hypothecation of respective vehicles / equipments and are repayable within three years having varying date of payment.

16.2 The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

17. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES) (NON-CURRENT)

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Security deposits	10.30	13.37
Lease Liabilities (Refer Note 39)	1.07	0.29
	11.37	13.66

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

18. PROVISIONS (NON-CURRENT)

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Provision for employees benefits		
- Gratuity (Refer Note 35)	119.10	98.24
	119.10	98.24

19. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Deferred government grant	954.06	1,142.93
	954.06	1,142.93

20. BORROWINGS

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Secured - Repayable on demand		
Working capital facilities from banks (secured)		
- Cash credit	735.60	128.57
	735.60	128.57

Working capital facilities of ₹ 735.60 Lakhs (31st March, 2020 ₹ 128.57) 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 clinker unit at Lumsh-nong, Meghalaya.

21. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES)

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Current maturities of long term borrowings	54.38	196.59
Interest accrued but not due on borrowings	0.53	0.95
- Salary and bonus to employees	58.82	46.16
- Lease Liabilities (Refer Note 39)	3.72	1.11
- Retention money	11.80	8.25
Other Liabilities		
- Creditors for expenses	481.11	423.84
- Other payable	2,031.87	1,707.02
	2,642.23	2,383.92

22. PROVISIONS

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Provision for employees benefits (Refer Note 35)		
- Gratuity	19.48	17.74
- Leave encashment	44.18	49.49
	63.66	67.23

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Statutory liabilities	2,394.50	1,480.81
Advances from customers	3.33	15.00
Current portion deferred government grant	188.88	237.01
	2,586.71	1,732.82

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Sale of products		
Domestic	57,039.06	58,462.64
Export	1,862.16	2,332.21
	58,901.22	60,794.85
Other operating income		
Others	-	0.94
Sale of Scrap	52.87	92.29
Revenue from operations	58,954.09	60,888.08

Note:

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Revenue as per contract price	58,954.09	60,888.08
Less: Discounts and incentives	-	-
Revenue as per statement of profit and loss	58,954.09	60,888.08

25. OTHER INCOME

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Interest income on		
-Bank deposits	162.92	35.20
- Interest on Loan	724.71	731.73
- Miscellaneous Receipts	-	84.27
	887.63	851.20

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Inventory at the beginning of the year	774.11	1,128.08
Add: Purchases	5,347.65	6,135.65
	6,121.76	7,263.73
Less : Inventory at the end of the year	831.08	774.11
	5,290.68	6,489.62

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(₹ in Lakhs)

Details of Raw Material Consumed	31st March, 2021	31st March, 2020
Lime Stone	4,546.74	5,593.40
Shale	366.23	451.99
Others	377.71	444.23
	5,290.68	6,489.62

27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Finished goods		
Opening stock	2,087.56	1,157.26
Closing stock	3,807.06	2,087.56
	(1,719.50)	(930.30)
Work in process		
Opening stock	300.32	161.11
Closing stock	183.00	300.32
	117.32	(139.21)
	(1,602.18)	(1,069.51)

28. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Salaries & wages	3,159.15	3,074.38
Contribution to provident fund and other funds	52.36	53.70
Employees Welfare Expenses	66.11	76.17
	3,277.62	3,204.25

29. FINANCE COSTS

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Interest expense		
- On loans	26.91	111.54
Other borrowing costs	81.49	68.72
	108.40	180.26

30. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Depreciation on property, plant and equipment	2,856.20	3,421.08
Depreciation on Lease Assets	3.59	1.04
Amortisation of intangible assets	1.43	1.48
	2,861.22	3,423.60

30.1 Depreciation is net off amortisation of Government Grant of ₹ 237.01 Lakhs as at 31st March, 2021 and ₹ 302.35 Lakhs as at 31st March, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

31. OTHER EXPENSES

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Consumption of stores & spares	272.06	522.36
Power & fuel	24,137.60	23,879.37
Repairs & maintenance		
- Buildings	108.12	102.14
- Plant & machinery	433.82	548.32
- Others	47.43	46.68
Heavy vehicle / equipment running expenses	333.81	439.08
Travelling and conveyance	124.25	98.89
Insurance	78.45	33.32
Rent, rates & taxes	68.27	44.25
Research & development expenses	13.71	27.65
Charity & donation	53.27	546.93
CSR expenses [refer note 44]	183.75	205.36
Miscellaneous expenses [refer note *]	466.38	411.20
Advertisement & publicity	-	0.18
Carriage outward	17,402.07	16,332.22
Sales promotion expenses	42.90	56.09
Commission/ incentives	90.74	2.10
	43,856.63	43,296.14

* Miscellaneous expenses include expenses paid to auditors refer note no. 37

32. ASSETS PLEDGED/HYPOTHECATED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Current		
Financial assets		
First charge		
Trade receivables	11,008.56	4,821.31
Inventory	11,926.94	13,256.85
Cash & Cash Equivalents	1,894.92	213.68
Bank balances (Other than above)	4,794.04	185.66
Other Receivable	2,626.19	2,621.20
Non financial assets		
Other current assets	11,189.20	14,704.95
Total current assets pledged/hypothecated as security	43,439.85	35,803.65
Non-current		
First charge		
Property, plant and equipment, CWIP and intangible assets	22,883.66	24,749.52
Total non-currents assets pledged/mortgaged as security	22,883.66	24,749.52
Total assets pledged/hypothecated as security	66,323.51	60,553.17

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

33. INCOME TAX EXPENSE

33.1: Tax expense change in Profit or loss

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
(a) Current tax		
Current tax on profits for the year	441.61	867.96
Total current tax expense	441.61	867.96
(b) Deferred tax		
Deferred tax benefit	(442.21)	(864.08)
Total deferred tax benefit	(442.21)	(864.08)
(c) Income tax of earlier years		
Tax expense	3.89	4.85
	3.29	(0.97)

33.2: Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Profit before tax	3,787.57	6,214.92
Tax at the Indian tax rate of 34.944% (2019-2020 - 34.944%)	1,323.53	2,171.74
Items not deductible/taxable under tax	(227.99)	(221.70)
Additional deduction under various provisions of tax	(868.18)	(1,787.70)
Income Tax of Earlier Years	3.89	4.85
Other Adjustment	(227.96)	(158.46)
Income tax expense	3.29	(0.97)

33.3: The Tax rate used for the year 2020-21 and 2019-20 reconciliation above is the Corporation tax rate of 34.944% (30% +surcharge @12% +education cess @ 4%) payable on taxable profit under the Income Tax Act 1961.

34. EARNINGS PER SHARE

(a) Basic earnings per share

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Basic earnings per share attributable to the equity holders of the Company (in ₹)	12.69	20.85

(b) Diluted earnings per share

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	12.69	20.85

(c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basic earnings per share	3,784.28	6,215.89
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	3,784.28	6,215.89

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(d) Weighted average number of equity shares used as the denominator

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,98,17,818	2,98,17,818
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,98,17,818	2,98,17,818

35. EMPLOYEES BENEFIT OBLIGATIONS

(a) Leave obligations and leave travel allowanc

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	31st March, 2021	31st March, 2020
Leave obligations not expected to be settled within the next 12 months	37.20	42.14

(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.

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
1st April, 2019	122.42	(39.89)	82.53
Current service cost	16.60	-	16.60
Interest expense/(income)	8.53	(2.79)	5.74
Total amount recognised in profit or loss	25.13	(2.79)	22.33
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.40)	(0.40)
Actuarial (gain)/loss from change in financial assumptions	8.50	-	8.50
Actuarial (gain)/loss from unexpected experience	3.02	-	3.02
Total amount recognised in other comprehensive income	11.52	(0.40)	11.12
Employer contributions/ premium paid	-	-	-
Benefit payments	(1.17)	1.17	-
31st March, 2020	157.89	(41.91)	115.98

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Particulars	(₹ in Lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2020	157.89	(41.91)	115.98
Current service cost	15.80	-	15.80
Interest expense/(income)	11.05	(2.53)	8.52
Total amount recognised in profit or loss	26.85	(2.53)	24.32
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.51	0.51
Actuarial (gain)/loss from change in financial assumptions	1.52	-	1.52
Actuarial (gain)/loss from unexpected experience	(3.76)	-	(3.76)
Total amount recognised in other comprehensive income	(2.24)	0.51	(1.73)
Employer contributions/ premium paid	-	-	-
Benefit payments	(11.51)	11.51	-
31st March, 2021	170.99	(32.42)	138.57

Net asset / (liability) recognised in the balance sheet

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Present value of Defined Benefit Obligation	(170.99)	(157.89)
Fair Value of Plan Assets	32.42	41.91
Net Asset / (Liability) in the Balance Sheet	(138.58)	(115.98)
Current Asset/(liability)	(119.10)	(98.24)
Non-Current Asset/(liability)	(19.48)	(17.74)

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Discount rate	6.90%	7.00%
Expected return on plan asset	6.90%	7.00%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2012-14) Table	IALM (2006-08) Table

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	(₹ in Lakhs)			
	Impact on defined benefit obligation			
	31st March, 2021		31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(158.58)	185.36	(146.04)	171.60
Salary growth rate (-/+ 1%)	185.10	(158.65)	171.33	(146.11)
Withdrawal rate (-/+ 1%)	172.04	(169.82)	158.95	(156.68)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(iv) The major categories of plans assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

(₹ in Lakhs)

Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	31st March, 2021	31st March, 2020
Funds managed by Insurer	100%	100%

(v) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company 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 salary of the plan participants will increase the plan liability.

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2022 are ₹ 26.23 Lakhs.

The weighted average duration of the defined benefit obligation is 5.20 years (31st March, 2020: 5.10 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	Less than a year	Between 2- 5 years	Between 5- 10 years
31 March 2021			
Defined benefit obligation (gratuity)	19.48	50.46	62.60
Total	19.48	50.46	62.60
31 March 2020			
Defined benefit obligation (gratuity)	17.74	60.28	57.40
Total	17.74	60.28	57.40

c) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 52.36 Lakhs (31st March, 2020: ₹ 53.70 Lakhs)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. 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.

The Company does not have any externally imposed capital requirements.

37. PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Statutory Auditors		
As Auditors		
Audit Fees	7.50	6.90
In Other Capacity		
Certification and Other Service	0.05	-
Total	7.55	6.90

38. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in Lakhs)

Particulars	31st March, 2021			31st March, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Margin money deposits	-	-	1.72	-	-	0.22
Security deposits	-	-	9.52	-	-	10.72
Loan to related party & Others	-	-	7,474.54	-	-	9,034.73
Trade receivables	-	-	11,008.56	-	-	4,821.31
Cash and cash equivalent	-	-	1,894.92	-	-	213.68
Bank Balance & others	-	-	4,794.04	-	-	185.66
	-	-	25,183.30	-	-	14,266.32
Financial liabilities						
Borrowings	-	-	808.71	-	-	398.28
Security deposits	-	-	10.30	-	-	13.37
Trade payable	-	-	3256.32	-	-	3672.71
Interest accrued but not due on borrowings	-	-	0.53	-	-	0.95
Other payables	-	-	2,571.80	-	-	2,177.02
Lease Liability	-	-	4.79	-	-	1.40
Retention money	-	-	11.80	-	-	8.25
	-	-	6,664.25	-	-	6,271.98

(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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 the financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31st March, 2021		31st March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security Deposits and margin money	215.69	215.69	204.86	204.86
Loan	7,474.54	7,474.54	9,034.73	9,034.73
Total financial assets	7,690.23	7,690.23	9,239.59	9,239.59
Financial liabilities				
Borrowings	73.12	73.80	269.70	288.90
Security deposit	10.30	10.30	13.37	13.37
Lease Liability	4.79	4.79	1.40	1.40
Total financial liabilities	88.21	88.89	284.48	303.68

(₹ in Lakhs)

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 of borrowings and loans 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 and loans with floating rate of interest are considered to be close to the fair value.

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.

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.

39. LEASE

Movement of lease liabilities

Particulars	31st March, 2021		31st March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Opening balance			1.40	-
Additions (Transitional impact on adoption of Ind AS 116)			-	2.34
Additions			6.88	-
Deletions			-	-
Add: Interest recognised during the year			0.41	0.17
Less: Payments made			(3.90)	(1.11)
Closing balance			4.79	1.40

(₹ in Lakhs)

The Unit 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.

The Unit has recognized interest on lease liability of ₹ 0.41 Lakhs under Finance Costs (Previous years ₹ 0.17 Lakhs).

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

40. 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:

(₹ in Lakhs)

Particulars	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities
Market risk – foreign exchange	Future commercial transactions and recognised financial 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

(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 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 due	Less than 6 months	6 months to 1 year	More than 1 Years	Total
Trade receivable as on 31st March, 2021	10,982.89	25.66	-	0.01	11,008.56
Trade receivable as on 31st March, 2020	3,067.84	1,734.65	-	18.82	4,821.31

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. 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 at 31st March, 2021 and 31st March, 2020 is the carrying amounts as illustrated in Note 40.

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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)	
	31st March, 2021	31st March, 2020
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	6,764.40	7,371.43
	6,764.40	7,371.43

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 - 31st March, 2021	(₹ in Lakhs)				
	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Trade payables	3,256.32	-	-	-	3,256.32
Borrowings	789.98	18.74	-	-	808.71
Interest payable on borrowings	54.62	0.35	-	-	54.97
Other financial liabilities	2,583.59	-	-	-	2,583.59
Lease Liabilities	3.97	1.09	-	-	5.06
Total financial liabilities	6,688.48	20.18	-	-	6,708.65

Contractual maturities of financial liabilities - 31st March, 2020	(₹ in Lakhs)				
	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Trade payables	3,672.71	-	-	-	3,672.71
Borrowings	325.16	73.12	-	-	398.28
Interest payable on borrowings	25.15	4.72	-	-	29.87
Other financial liabilities	2,185.27	-	-	-	2,185.27
Lease Liabilities	1.19	0.30	-	-	1.49
Total financial liabilities	6,209.48	78.14	-	-	6,287.62

(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 Company 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 Company 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:-

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Financial assets	-	597.41
Financial liabilities	-	-
Net exposure to foreign currency risk	-	597.41

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	31st March, 2021	31st March, 2020
USD sensitivity		
INR appreciates by 10% (2020: 10%)*	-	(60)
INR depreciates by 10% (2020: 10%)*	-	60

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's 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 31st March, 2021, 31st March, 2020 the Company's borrowings at variable rate were denominated in ₹ and USD.

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)	
	31st March, 2021	31st March, 2020
Variable rate borrowings	736	129
Fixed rate borrowings	73	270
Total borrowings	809	398

(b) Sensitivity

On Financial Liabilities:

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	
	31st March, 2021	31st March, 2020
Interest expense rates – increase by 50 basis points (2020: 50 bps) *	(3.68)	(0.64)
Interest expense rates – decrease by 50 basis points (2020: 50 bps)*	3.68	0.64

* Holding all other variables constant

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

41. RELATED PARTY DISCLOSURES

(₹ in Lakhs)

I.	A	Names of the related parties where control exists	Nature of relationship
		Star Cement Limited (SCL)	Holding Company
		Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
		Meghalaya Power Limited (MPL)	Fellow Subsidiary
		NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	B	Other related parties	Nature of relationship
	1	Key Management Personnel	
		Mr. Prem Kumar Bhajanka	Managing Director
		Mr. Amit Kumar Singh	Chief Financial Officer
		Mr. Bishwajit Singh (up to 08.04.2020)	Company Secretary
		Mr. Chandan Sharma (w.e.f. 20.07.2020)	Company Secretary
	2	Relative of KMP of Parent Company	
		Mrs. Renu Chamaria	Wife of Mr.Rajendra Chamaria
	3	Key Management Personnel of Parent Company	
		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
	4	Enterprise influenced by KMP of parent company	
		Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
		Profound Cement Works Limited (PCWL)	Enterprises influenced by KMP
		Star Century Global Cement Private Limited (SCGCPL)	Enterprises influenced by KMP
		Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2021

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Enterprises influenced by KMP		Key Management Personnel & Its Relative	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Purchase Transactions								
	SCL	2,737.77	4,490.25	-	-	-	-	-	-
	CPIL	-	-	-	-	-	-	-	-
	MTEPL	-	-	0.68	0.92	-	-	-	-
	MPL	-	-	6,738.24	7,426.45	-	-	-	-
2	Sales Transactions								
	SCL	66,223.23	61,601.18	-	-	-	-	-	-
	MTEPL	-	-	35.02	167.79	-	-	-	-
	MPL	-	-	2,313.23	711.49	-	-	-	-
3	Sales of Capital Goods								
	SCL	8.74	2.89	-	-	-	-	-	-
4	Purchase of Capital Goods								
	SCL	29.16	-	-	-	-	-	-	-
5	Services Rendered								
	SCL	5.20	17.70	-	-	-	-	-	-
	CPIL	-	-	-	-	-	3.93	-	-
	MPL	-	-	-	0.16	-	-	-	-

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Enterprises influenced by KMP		Key Management Personnel & Its Relative	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
6	Loan & Advances Given								
	MPL	-	-	-	2,500.00	-	-	-	-
7	Loan & advances Repaid Back								
	MPL	-	-	1,565.00	1,085.00	-	-	-	-
8	Remuneration Paid								
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	198.00	198.00
	Mr. Bishwajit Singh (up to 08.04.2020)	-	-	-	-	-	-	0.10	4.86
	Mr. Chandan Sharma (w.e.f 20.07.2020)	-	-	-	-	-	-	4.18	-
	Mr. Amit Kumar Singh	-	-	-	-	-	-	10.00	9.82
9	Interest Received								
	MPL	-	-	490.76	596.30	-	-	-	-
10	Balance outstanding as on 31.03.2021								
A.	Advances/Loan Given								
	MPL	-	-	4,850.00	6,415.00	-	-	-	-
B.	Creditors								
	MPL	-	-	882.04	382.80	-	-	-	-
	CPIL	-	-	-	-	-	-	-	-
C.	Debtors								
	SCL	10,977.15	2,055.46	-	-	-	-	-	-
D	Share Capital (Including Securities Premium)								
	SCL	17,414.67	17,414.67	-	-	-	-	-	-
	MTEPL	-	-	2,983.33	2,983.33	-	-	-	-

(₹ in Lakhs)

III. Key management personnel compensation	31st March, 2021	31st March, 2020
Short-term employee benefits	212.28	212.68
Post-employment benefits	-	-
Long-term employee benefits	-	-
Total compensation	212.28	212.68

Notes:

- (i) The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. During the previous year, the Company has provided inter corporate loan to its fellow subsidiary which is repayable on demand, for current year the rate of interest is 7.74% (March 31,2020: 9.41%)
- (ii) 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

42. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

a) Contingent liability

		(₹ in Lakhs)	
Sl. No.	Particulars	31st March, 2021	31st March, 2020
1	Claims against the Company not acknowledged as debts – Excise	15,277.40	13,474.23
2	Duty saved under EPCG scheme	265.15	405.49

b) Commitments

		(₹ in Lakhs)	
Sl. No.	Particulars	31st March, 2021	31st March, 2020
1	Estimattted amount of contracts remaining to be executed on capital account and not provided for (net of advances)	887.93	-
2	Bank Guarantees issued by Bank	1,337.61	1,367.19
3	Letter of Credit issued by Bank	493.88	367.57

Note :- Based on legal opinion / decisions in similar cases, the Management believes that the company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary. The amounts shown above represent the possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

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 ₹ 12346.64 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 is clear violation of principles of natural justice.

The Company backed by the legal opinions, believes that it has a good case in the matter as the said order was issued based on certain hypothetical assumptions and views and not on hard facts. No opportunity of being heard was provided to the Company either by NGT committee or by NGT itself which passed order without going into the merits & facts and accepted the recommendations of 5th Interim Report. Therefore, there is every likelihood of the Demand Notice and the order of the NGT being set aside. The Company has preferred an appeal before the Supreme Court of India against the NGT Order, and accordingly, no provisions has been made in the accounts.

43. EXCEPTIONAL ITEMS

- (a) Supreme Court vide its' order dated 17.11.2020 has rejected the Review petitions filed by some of the Petitioners against its' Judgment dated 22.04.2020 in the matter of Union of India –vs- M/s V.V.F Limited & Others. As the said order reached its' finality , the Company has Refunded 50% of differential Excise duty amounting to ₹ 1127.59 Lakhs which was received by the company in previous years, and for which the demand letter was issued by the Department. The Company has also provided for the balance 50% of such refund amounting to ₹ 1134.19 Lakhs which was shown as receivable and recognized in income in previous years. Refund/Reversal on account of both amounting to ₹ 2261.78 Lakhs was shown as Exceptional Item in the Statement of Profit and Loss Account for the current financial year.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

44. 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.

- a) Gross Amount required to be spent by the company during the year is ₹ 161.31 Lakhs (31st March, 2020: ₹ 192.25 Lakhs)
b) Amount spent during the year on:

(₹ in Lakhs)

Sl. No.	Particulars	31st March, 2021	31st March, 2020
(i)	Education	55.74	107.01
(ii)	Health & Sanitation	19.68	2.73
(iii)	Livelihood & Skill Building	20.00	4.38
(iv)	Rural & Infrastructure Development	88.32	64.44
(v)	Sports Upliftment	-	11.85
(vi)	Environment & Biodiversity	-	14.95
Total		183.74	205.36

45. SEGMENT INFORMATION

Cement Clinker' is the only identified operating segment of the Company.

One customers of the entity accounts for approximately 88.56% of the revenue for the year ended 31st March, 2021 (31st March, 2020 : 79.95%)

(₹ in Lakhs)

Sl. No.	Party Name	31st March, 2021	31st March, 2020
(i)	STAR CEMENT LTD.	88.56%	79.95%
Total		88.56%	79.95%

Geographical information

The entire revenue of the Company has been generated by way of domestic & export sales.

(₹ in Lakhs)

Sl. No.	Geographical Location	31st March, 2021	31st March, 2020
(i)	India	57,091.93	58,555.87
(ii)	Nepal	1,859.41	2,332.21
(iii)	Bhutan	2.75	-
Total		58,954.09	60,888.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

46. 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 AREAS UNDER:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	137.09	2.69
(ii) Interest due on above	-	-
Total of (i) & (ii)	137.09	2.69
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	0.10	0.67
(iv) Amount paid to the suppliers beyond the respective appointed date.	14.66	27.48
(v) 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.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(vii) 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.	-	-

47. BORROWING COST OF FOREIGN LOAN

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 31st March, 2021 is ₹ 128.28 Lakhs (31st March, 2020: ₹ 176.53 Lakhs).

48. The financial statements are approved by the audit committee at its meeting held on 8th June, 2021 and by the Board of Directors on the same date.

49. Notes to the Financial Statements comprises of information relevant for the Group.

50. The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial Statements. The Company believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at 31st March, 2021. Looking to the present situation of pandemic, the extent to which the same will impact Company's future financial results is currently uncertain and will depend on further developments.

51. Previous year's figures have been regrouped and/or rearranged wherever necessary to conform to current year Classification.

As per our report of even date

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

Manoj K Roongta
Partner
Membership No. : 057761

Place : Kolkata
Date: 8th June, 2021

For and on behalf of the Board of Directors

Amit Kumar Singh
Chief Financial Officer

Chandan Sharma
Company Secretary

Prem Kumar Bhajanka
Managing Director
DIN:00591512

Sajjan Bhajanka
Director
DIN:00246043

Star Cement Meghalaya Limited

CIN: U63090ML2005PLC008011

Registered Office :

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Meghalaya - 793 210