



Date: 25<sup>th</sup> November, 2022

<b>To</b> <b>The Listing Department,</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G Bandra Kurla complex, Bandra-East Mumbai-400 051 <b>Stock code: STARCEMENT</b>	<b>To</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400 001 <b>Stock code: 540575</b>
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Dear Sir,

**Subject: Investor Presentation for the Second Quarter ended 30<sup>th</sup> September, 2022**

Pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulation, 2015, an Investor Presentation for the second quarter ended 30<sup>th</sup> September, 2022 has been prepared and the same has been disseminated on the Company's website at <https://www.starcement.co.in/investor/investors-presentation>. We are enclosing herewith a copy of the Presentation for your information and record.

Request you to kindly take this communication on record.

Thanking you,

Yours faithfully,

**For Star Cement Limited**

X 

25-11-2022

Debabrata Thakurta  
Company Secretary  
Signed by: DEBABRATA THAKURTA



**Debabrata Thakurta**  
**(Company Secretary)**

*Encl. as stated*

**STAR CEMENT LIMITED**

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Registered Office & Works: Village & PO – Lumshnong, P.S. Khliehriat, District – East Jaintia Hills, Meghalaya – 793210. Phone: 03655-278215/16/18. Fax Number: 03655-278217.  
Email: [lumshnong@starcement.co.in](mailto:lumshnong@starcement.co.in). Website: [www.starcement.co.in](http://www.starcement.co.in)

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 CERTIFIED COMPANY.

CIN : L26942ML2001PLC006663



# CREATING A BETTER TOMORROW



**STAR CEMENT LIMITED**

An Integrated Cement Company

NSE Ticker: STARCEMENT

BSE Ticker: 540575

Bloomberg Ticker: STRCEM:IN

Q2 Presentation | September 2022

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**KNOW US BETTER**  
**CORPORATE OVERVIEW**

# STAR CEMENT AT A GLANCE



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

**5.7 MTPA**

AGGREGATE CEMENT CAPACITY

**2.8 MTPA**

AGGREGATE CLINKER CAPACITY

**1,600+**

TOTAL DEALER NETWORK

**12,000+**

TOTAL RETAILER NETWORK

**3,100+**

WORKFORCE

**ZERO DEBT**

COMPANY

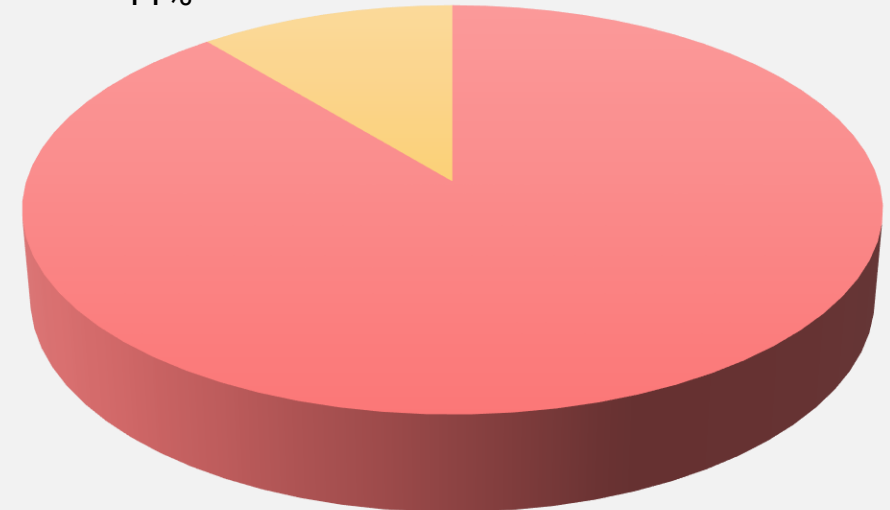
**HIGHEST**

MARKET SHARE IN NORTH-EASTERN REGION

ONE OF THE  
**COUNTRY'S FINEST**  
LIMESTONE RESERVES

## SALES MIX

Non Trade Sales  
11%



Trade Sales  
89%

## ORDINARY PORTLAND CEMENT (OPC)



### OPC 43:

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

### OPC 53:

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

## PORTLAND POZZOLANA CEMENT (PPC)



### PPC:

Ideal for:

- Mass concreting works
- Masonry mortars and plastering

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

## ANTI RUST CEMENT (ARC)



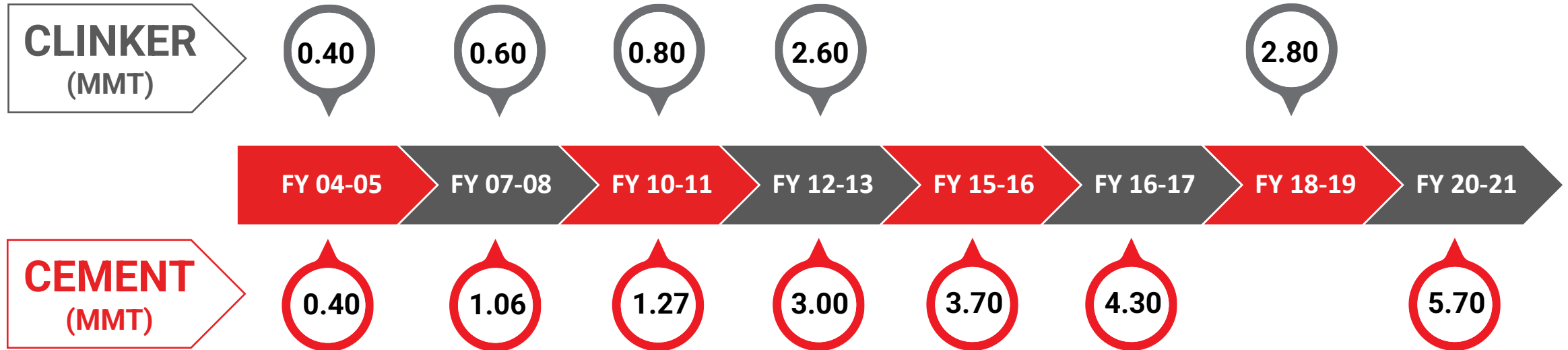
### ARC:

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

# A JOURNEY THAT SPEAKS OF EXPANSION



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





**BETTER PROSPECTS & POSSIBILITIES**

**INDIAN CEMENT INDUSTRY**





# INDIAN CEMENT INDUSTRY'S PROMINENCE & OPPORTUNITIES



## Adani Group entry may drive higher consolidation

Adani Group completed one of the largest cement acquisition in India with the acquisition of ACEM and ACC in September 2022. The entry of the large and aggressive Adani Group will bring more discipline in the sector.

## Housing to drive consumption

Housing construction momentum continues to remain consistent. The number of houses completed under PMAY - Grameen scheme and PMAY - Urban scheme has grown consistently, yet it still falls short of the Ministry of Rural Development's target of 50 million. Under Union Budget 2022-23, the government allocated INR 480 billion for the construction of 80 lakh houses for both PMAY - Urban scheme and PMAY – Grameen scheme.

## India's consumption much lower versus global counterparts

Per capita cement consumption for India has only increased by 5% over the last 20 years and remains one of the lowest in the world. Given increasing trend of rapid urbanization and nuclearization of families, housing demand may remain strong over next few years.

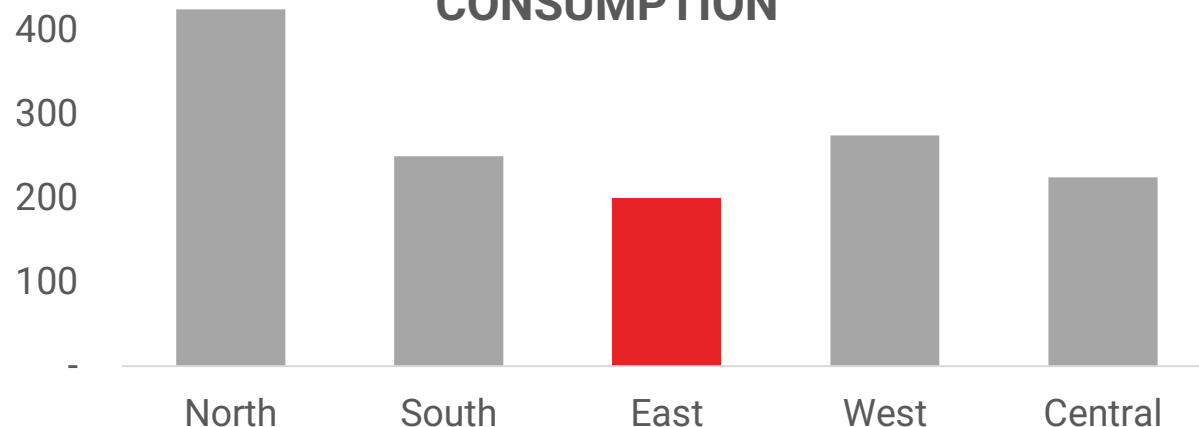
## Real estate inventory overhang seems to have declined sharply

The real estate absorption hits 10-year high levels on pan-India basis in 2021 and sales for 1H2022 have been stronger. Stable prices and improved affordability have led to robust demand. The uptrend in absorption is seen across regions and is not exclusive to a few cities. Inventory has thus hit a 10-year low. New launches are starting to improve and could lead to better cement demand in coming time.

## Road construction at 8% CAGR for last 10 years

The Indian government remains focused on improving the country's road infrastructure. Construction of roads have grown at a steady pace of ~8% CAGR since the current government took over in 2014 and at a CAGR of 7% for the last 10 years. In a bid to accelerate rural road construction, budgetary allocation to Pradhan Mantri Gram Sadak Yojana (PMGSY) in 2022 was raised by 36% to INR 190 bn.

## REGIONWISE PER CAPITA CEMENT CONSUMPTION



North has the highest consumption of cement, while east the lowest

### Utilization in East India to stay around 80% during till FY25

	FY21	FY22	FY23E	FY24E	FY25E
Installed Capacity (Lakh Tons)	100	110	121	128	144
Effective Capacity (Lakh Tons)	91	94	112	121	132
Production (Lakh Tons)	80	79	88	97	103
Utilisation (%)	88	76	79	81	78

Source: Research report - Antique Stock Broking Limited

## OPPORTUNITIES IN THE EASTERN REGION

Although the cement consumption in the Eastern region is lower than the national average, the market is likely to witness positive change in near future. Thereby, leading to a higher contribution by the eastern market to domestic scale of production.

Given below are some of the growth factors:

- 21.6 Mn units of housing shortage in Eastern India.
- Higher focus on national security in the Eastern region of the Government initiating large pipeline of infrastructure projects.
- Special focus on smart cities in Eastern region – with 21 out of 110 cities being selected under Smart City Mission.
- Limestone availability in the north east region – the key raw material for cement manufacturing makes it an attractive destination.
- The Government of India is implementing various rail, road and air connectivity projects worth INR 1,34,200 crore in North-East India, which include 20 railway projects worth INR 74,000 crore for 2,011 km, 4,000 km of roads in the region at a total cost of INR 58,000 crore & 15 ongoing air connectivity projects, costing around INR 2,200 crore.



**WHAT MAKES US BETTER**

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**STRENGTHS & STRATEGIES**



## OUR CURRENT MANUFACTURING CAPABILITIES

**2.8 MTPA**

CLINKER PRODUCTION  
CAPACITY

**5.7 MTPA**

CEMENT PRODUCTION  
CAPACITY

**51 MW**

POWER PRODUCTION  
CAPACITY

**6**

MANUFACTURING  
UNITS

**LARGEST MANUFACTURER**

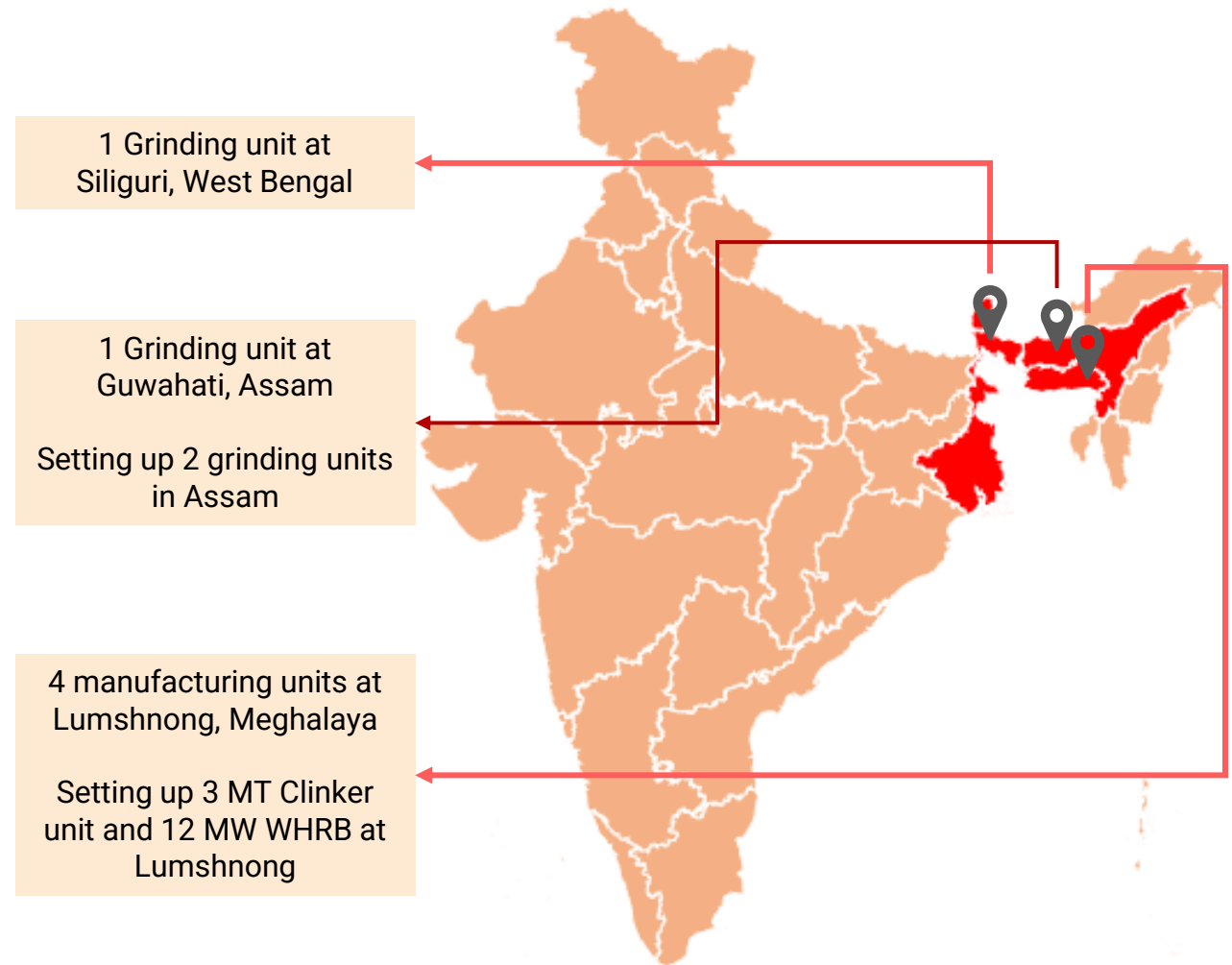
OF CEMENT IN NORTH- EAST INDIA

## OUR LONG-TERM PLANS

### NEXT FIVE-YEAR PLANS:

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

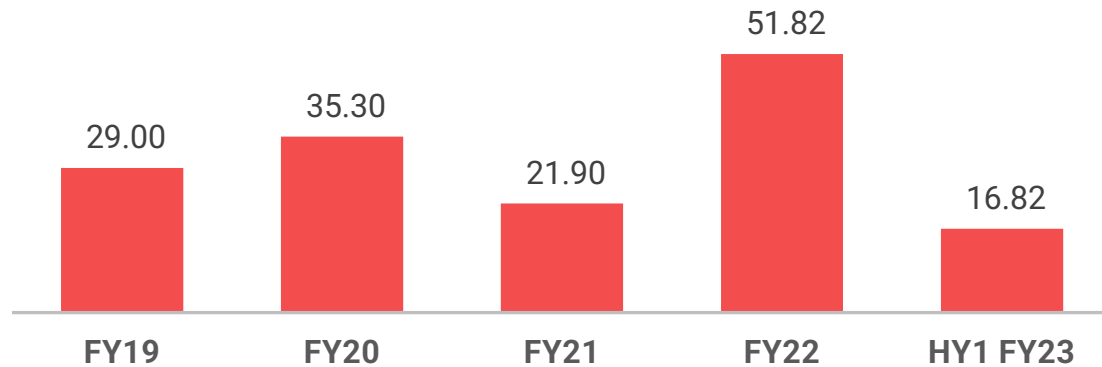
## OUR CURRENT MANUFACTURING UNITS & CAPEX PLAN





## ANNUAL ADVERTISING & BRAND PROMOTION INVESTMENT

### ADVERTISEMENT AND BRANDING EXPENSES (₹ IN CR)



# ₹ 5.06 Crores

Invested in branding and advertisement in the Q2 FY 22-23

Continued with focused advertisement and enhanced brand visibility through ATL & BTL activity.

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



During the year Star Cement Ltd. continued with the Brand Television Commercial with Akshay Kumar as brand Ambassador, one of the biggest Stars of Bollywood.

Association of Akshay Kumar being the brand ambassador caused an uplift on the brand perceptions and has had a positive impact on the saliency of Star Cement as a brand.

### Awards Received

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



## STAR SAATHI APP FOR DEALERS (1800+ USERS):

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

## STAR LOTUS APP (5600+ USERS):

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



## DIGITAL DISPLAYS:

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

## STAR STELLAR APP (2300+ USERS):

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



## CUSTOMER WEB-PORTAL:

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

## SALES FORCE AUTOMATION APP:

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



## IMPLEMENTED ENTERPRISE RESOURCE MANAGEMENT (ERM) SYSTEMS:

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

# WIDER REACH FOR A BETTER TOMORROW



## STRONG SUPPLY CHAIN & DISTRIBUTION NETWORK

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

### EASY AVAILABILITY OF RAW MATERIAL:

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

### RIGHT MIX OF DISPATCH MODES:

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

### IMPROVING RAIL TRANSPORT CONNECTIVITY:

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

### ENHANCING PRODUCTIVITY THROUGH OWN FLEET:

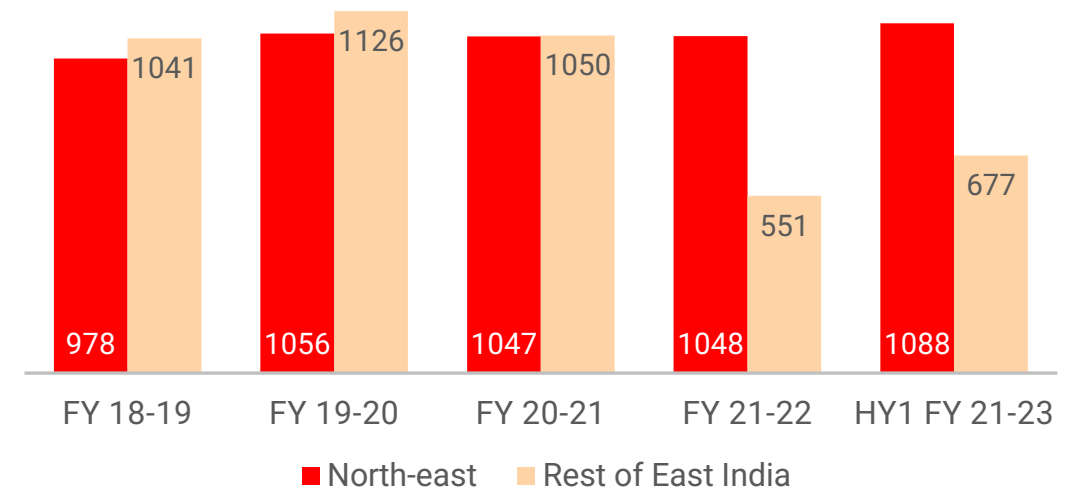
Optimum utilization of owned fleet of 190+ trucks through digitization enabled the organization to increase the overall efficiency & productivity

### ESTABLISHED DEALER-DISTRIBUTOR NETWORK:

Our extensive distribution network helps deepen penetration in the Eastern region

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

## DEALER NETWORK

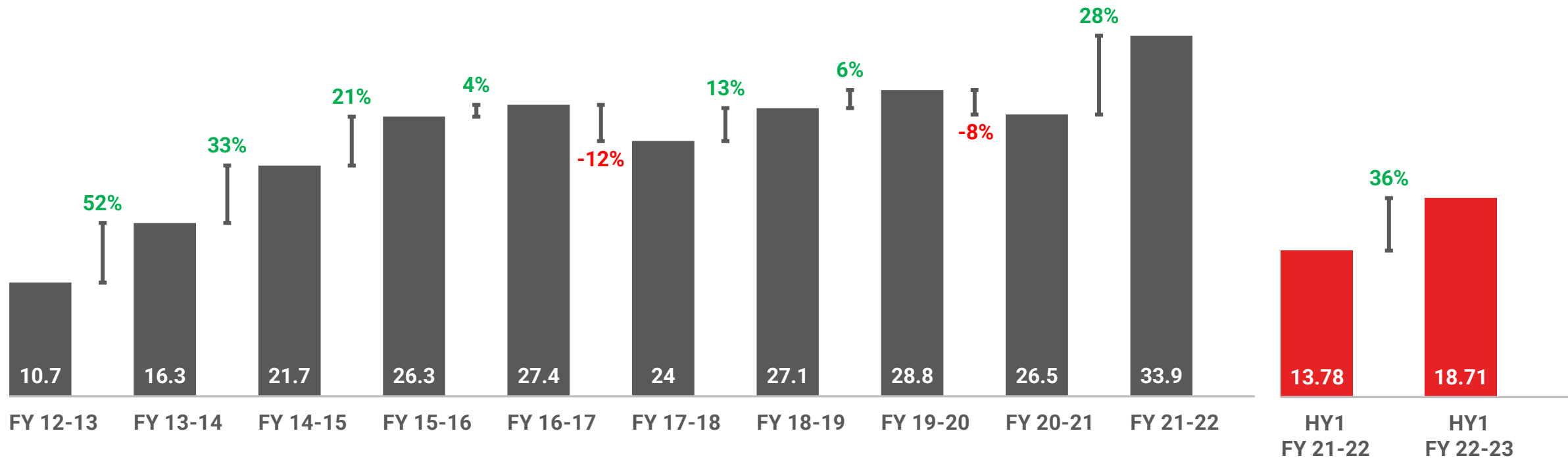


# THE STAR SHINES BRIGHT AND STRONG



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

## PRODUCTION THROUGH THE YEARS – VOLUME (LAKH TONS)







**PROMISING A BETTER TOMORROW**

**ENVIRONMENT, SOCIAL & GOVERNANCE**





## Health and Sanitation

- Collection of garbage from Lumshnong, Tongseng and Umsahi village under waste management project
- Two ambulances were handed over to different civil organizations like NYAM, of Nongbah village and HYC (NGO) of Jaintia Hills.
- Establishment of STAR JALADHARA Project- 24 x 7 running potable water system education and social institutes.
- Renovation of Institutional Toilets.
- Food Security for 60 specially abled persons of Mohitnagar
- Medical and Eye camp was conducted in collaboration with Presbyterian Church of Lumshnong at Umtyra village.



## Livelihood Development

- Graduates from Star USHA Tailoring School supported with tailoring machine are now stitching outfits and uniforms from different agencies
- Beautician and wellness training courses started.
- Second phase of biofloc fish farming underway.
- Production ongoing at Agarbatti unit and sanitary napkin production unit at SRIJANI.
- Mega awareness campaign on increasing awareness about menstrual hygiene arranged on 9th August, 2022 (Adivasi Divas) Livelihood hub at Lumshnong is under construction.
- 10 new piglets introduced to the pig rearing project of Lumshnong.
- The Broom making project is going on in Brichrnyot village.



## Education

- The Star Scholarship award distributed on 12th August 2022, to 56 students received along with 18 students from Lumshnong.
- Computer Book launched at NEDFI auditorium on 4th July 2022 under gracious presence of Smt. Mrinalini Devi, VP – Assam Sahitya Sabha. Anglo-Assamese dictionaries also distributed among the students.
- Khliehriat East LP & UP School inaugurated and handed over on 29th July 2022 under gracious presence of Deputy Commissioner of East Jaintia Hills
- Students from Star Public School participated in five days educational tour to Sivsagar, Assam in September.



## Rural Development

- Construction of 600 meter road at Dongwalarung locality of Lumshnong Village underway.
- Construction of Lumshnong Community Hall office underway.
- Solar home lighting system installed in Meghalaya which became a life saver for the community.
- 20 shops, as per SCML local compliance (new) and 12 shops, as per SCL local compliance had been handed over to Dorbarshnong of Lumshnong on 3rd August 2022.
- New set of PA system installed in the community hall of Lumshnong.
- Foundation stone laid for construction & renovation of Gandhi Nagar Anchalik Kalabikash Kendra.
- 6000 flags distributed among local people under "Har Ghar Tiranga" programme of Govt. of India

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

**LEADING FROM THE FRONT**

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**OUR MANAGEMENT TEAM**



## OUR PROMOTERS TEAM



**Mr. Sajjan Bhajanka**  
Chairman & Managing Director

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



**Mr. Rajendra Chamaria**  
Vice Chairman & Managing Director

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



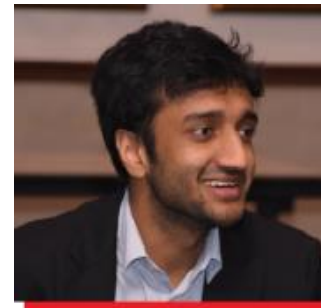
**Mr. Sanjay Agarwal**  
Managing Director

**Experience:** 36 years' industry experience



**Mr. Prem Kumar Bhajanka**  
Managing Director

**Experience:** 43 years of industry experience



**Mr. Tushar Bhajanka**  
Executive Director

**Qualification:** MPhil in Economics from the University of Cambridge

**Experience:** 4 years' industry experience

## OUR MANAGEMENT TEAM



### Mr. Pankaj Kejriwal

Chief Operating Officer

**Qualification:** Chemical Engineer

**Experience:** 22 years' overall experience



### Mr. Manoj Agarwal

Chief Financial Officer

**Qualification:** L.L.B, Chartered Accountant, Company Secretary

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



### Mr. Jyoti S. Agarwal

Chief Marketing Officer

**Qualification:** M.Com

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



### Mr. Pradeep Purohit

Chief Strategy Officer

**Qualification:** B. Com, Graduate Dip. IIMM

**Experience:** 34+ years in the cement and engineering industry



### Mr. Sundaram Srinivasan

Chief Manufacturing Officer

**Qualification:** Mechanical Engineer

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



### Mr. Samar Banerjee

Chief Human Resource Officer

**Qualification:** BA( Eco), PGPM&IR

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



# NUMBERS THAT SPEAK FOR US

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FINANCIAL HIGHLIGHTS



## Operational

- The total cement production in Q2 FY23 was 8,90,721 MT against 6,17,852 MT in Q2 FY22, a YoY increase of 44%.
- Average capacity utilization of cement grinding units was 63% in Q2 FY23.

## Financial

- Cement sales in Q2 FY23 was up by 46% (YoY) to INR 592 Cr.
- EBITDA for the quarter stood at INR 83 Cr, significantly impacted by rise in fuel cost and shutdown of plant.
- Profit After Tax for the quarter stood at INR 31 Cr.

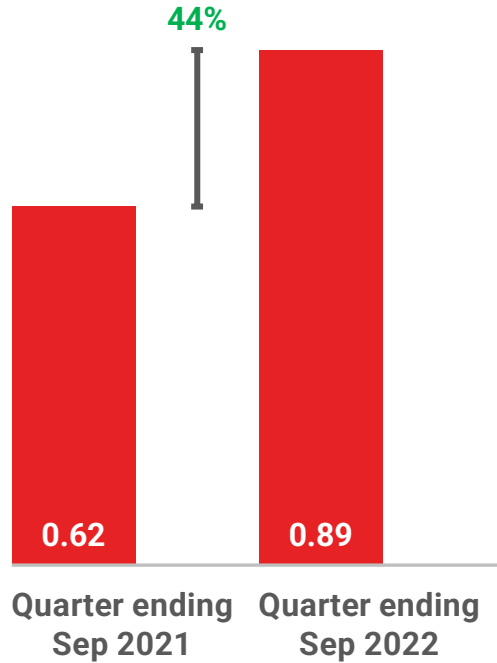
## Functional

- The organisation has completed the adoption of SAP across all levels.
- WHRS project at Lumshnong is progressing well and is expected to start generating power from December 2022
- The organisation is in process to introduce the use of alternate fuel resources in its Kiln. The organisation is also optimizing the use of biomass in power generation.
- The organisation is optimizing utilization of owned fleet through digitization enabling the organization to increase the overall efficiency & productivity.

# HIGHLIGHTS THAT MATTER

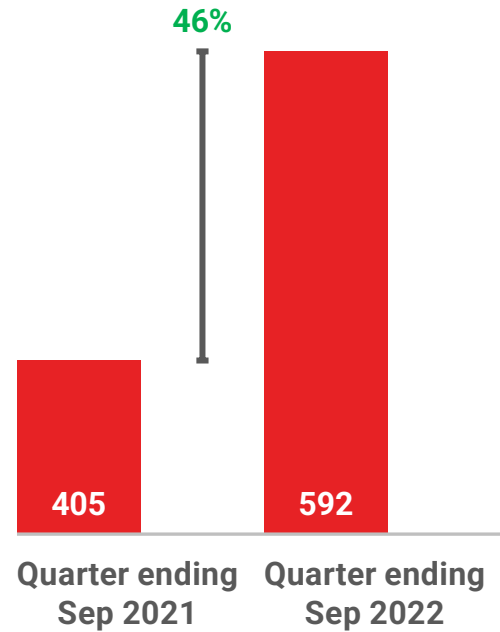


SALES VOLUME - CEMENT  
(MILLION TONS)



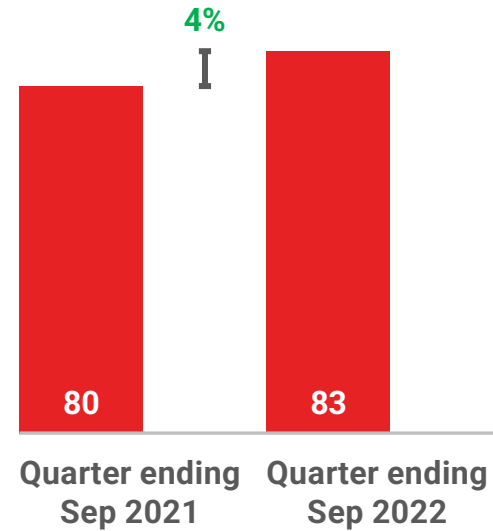
Robust increase in sales volume by 44%

REVENUE FROM CEMENT SALES  
(INR CR)



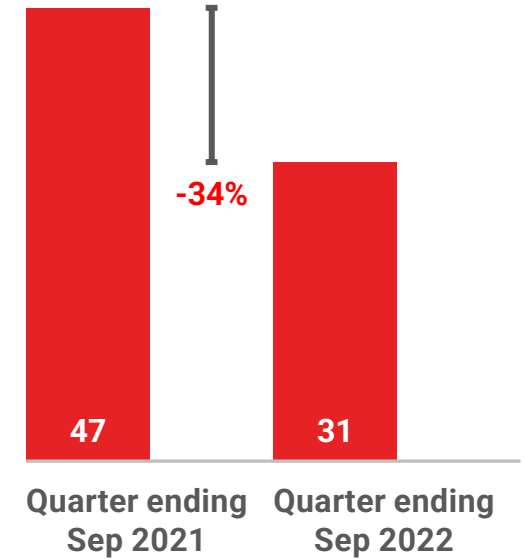
Increase in sales volume primarily contributed to the increase in revenue from cement sales by 46%

EBITDA  
(INR CR)



EBITDA was largely impacted by rise in power and fuel cost, and annual shutdown of plant.

PAT  
(INR CR)



PAT for the period decreased by almost 34% as compared to the same period last year. The same is a result of sunset of tax exemption under section 80IE for the group.



# APPENDIX

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# STANDALONE FINANCIAL HIGHLIGHTS



PARTICULARS		Q2 FY23	Q2 FY22	Q1 FY23	FY22
Equity Share Capital	<i>INR Cr</i>	40	41	40	40
Reserves & Surplus	<i>INR Cr</i>	1,324	1311	1,300	1,259
<b>Net Worth</b>	<b><i>INR Cr</i></b>	<b>1,364</b>	<b>1352</b>	<b>1,340</b>	<b>1,299</b>
Revenue	<i>INR Cr</i>	604	415	667	2,219
EBIDTA	<i>INR Cr</i>	59	42	86	255
PBT	<i>INR Cr</i>	37	21	23	170
Tax Expenses	<i>INR Cr</i>	14 <sup>1</sup>	(2)	23 <sup>1</sup>	(6)
<b>PAT</b>	<b><i>INR Cr</i></b>	<b>24</b>	<b>23</b>	<b>41</b>	<b>176</b>
Return on Equity (Annualised)	%	6.9%	6.8%	12.33%	13.6%
Earning Per Share (Not Annualised)	INR	0.58	0.56	1.02	4.36

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

# CONSOLIDATED FINANCIAL HIGHLIGHTS



PARTICULARS		Q2 FY23	Q2 FY22	Q1 FY23	FY22
Equity Share Capital	<i>INR Cr</i>	40	41	40	40
Reserves & Surplus	<i>INR Cr</i>	2,226	2,149	2,196	2,128
<b>Net Worth</b>	<b><i>INR Cr</i></b>	<b>2,267</b>	<b>2,190</b>	<b>2,236</b>	<b>2,168</b>
Revenue	<i>INR Cr</i>	608	415	680	2,255
EBIDTA	<i>INR Cr</i>	83	80	138	379
PBT	<i>INR Cr</i>	49	44	105	244
Tax Expenses	<i>INR Cr</i>	18 <sup>1</sup>	(2)	38 <sup>1</sup>	(3)
<b>PAT</b>	<b><i>INR Cr</i></b>	<b>31</b>	<b>46</b>	<b>67</b>	<b>247</b>
Return on Equity (Annualised)	%	5.5%	8.5%	12.1%	11.4%
Earning Per Share (Not Annualised)	INR	0.77	1.13	1.67	6.04

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

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# THANK YOU

**Mr. Manoj Agarwal**  
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