

# Report on Corporate Governance

## For The Year 2018-19

The Directors present the Company's Report on Corporate Governance:

### Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company at large and its stake holders. It emphasizes the need for full transparency, accountability and compliances with laws and regulations in all its transactions and interactions with its stakeholders, employees, lenders and the Government etc., without compromising the environment and health of society at large. Your Company has complied with the requirements of Corporate Governance as laid down under SEBI Regulations.

### BOARD OF DIRECTORS

#### Composition

As on the date of this report, the Board consists of ten Directors, including and headed by an Executive Chairman, two Executive

Directors, two Non-Executive Directors and five Independent Directors out of which two are women Directors. The Board members are expert in different disciplines of corporate working. The Independent Directors are expert professionals with high credentials and actively contribute in the deliberations of the Board.

None of the Directors is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees. Further, none of the Directors is a member of the Board in more than eight listed entities and Independent Directors of the Company are not serving as an Independent Director in more than seven listed entities. None of the Managing Directors of the Company are serving as an Independent Director in not more than three listed entities.

Mr. Sanjay Kumar Gupta is the Chief Executive Officer and Mr. Manoj Agarwal is the Chief Financial Officer of the Company.

The Composition is as provided below:

Name of the Director	Designation	Category
Mr. Sajjan Bhajanka	Chairman & Managing Director	Promoter – Executive
Mr. Rajendra Chamaria	Vice-Chairman & Managing Director	Promoter – Executive
Mr. Sanjay Agarwal	Managing Director	Promoter – Executive
Mr. Prem Kumar Bhajanka	Director	Promoter – Non-Executive
Mr. Pankaj Kejriwal	Director	Non – Executive – Non-Independent
Mr. Mangilal Jain	Director	Independent
Mr. Santanu Ray	Director	Independent
Mrs. Plistina Dkhar	Director	Independent
Mrs. Ibaridor Katherine War	Director	Independent
Mr. Pramod Kumar Shah	Director	Independent

## Directorship, Committee membership and Chairmanship

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) and Committee Chairmanship/ name of listed entities where he/she is a Director and category of Directorship as on date of this report are provided herein below:

Name of the Director	Number of Directorship of Public Limited Companies *	Number of Membership including Chairmanship of Board Committee(s) **	Name of listed entities where he/she is a Director and category of Directorship
Mr. Sajjan Bhajanka	6	4	1. Century Plyboards (India) Limited - Managing Director 2. Shyam Century Ferrous Limited – Non – Independent Director
Mr. Sanjay Agarwal	7	1	1. Century Plyboards (India) Limited - Managing Director 2. Linc Pen & Plastics Ltd. – Additional Director in Independent category
Mr. Rajendra Chamaria	3	-	-
Mr. Prem Kumar Bhajanka	6	-	Century Plyboards (India) Limited - Executive Director
Mr. Pankaj Kejriwal	3	-	-
Mr. Mangilal Jain	8	7 (4 as Chairman)	1. Century Plyboards (India) Limited - Independent Director 2. Shyam Century Ferrous Limited – Independent Director
Mr. Santanu Ray	8	7 (4 as Chairman)	1. Century Plyboards (India) Limited - Independent Director 2. LA Opala R G Limited – Independent Director 3. Shyam Century Ferrous Limited – Independent Director 4. SKP Securities Limited – Independent Director
Mrs. Plistina Dkhar	4	-	Shyam Century Ferrous Limited – Independent Director
Mrs. Ibaridor Katherine War	1	-	-
Mr. Pramod Kumar Shah	7	5 (3 as Chairman)	1. Emami Frank Ross Limited - Independent Director 2. Skipper Limited – Additional Director in Independent Category

\* Includes Private Limited Companies which are subsidiaries of Public Limited Companies, Unlimited Liability Companies, Companies registered under Section 8 of the Companies Act, 2013, Membership of Managing Committees of Chambers of Commerce/Professional Bodies but excludes Foreign Companies.

\*\* Only Audit Committee and Stakeholders' Relationship Committee have been considered as per SEBI Regulations.

### The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors :-

- (i) General Management (ii) Marketing and branding
- (iii) Production, Technical and Logistics (iv) Accounts & Finance and Audit & Internal Audit, Taxation etc.

In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the listing regulations and are independent of the management.

### Board Meetings and Procedures

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company apart from normal business. The Board generally meets at least once every quarter to review the Quarterly results. Additional meetings are held as and when necessary.

All the meetings are scheduled well in advance and notices are sent to all the Directors at their address registered with the Company. In case a meeting is called at shorter notice to transact urgent business, requirements of Section 173(3) are complied with. The agenda of the meeting are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman and consent of the members. Drafts minutes of the proceedings of the Board/Committee Meetings are circulated in advance and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/ items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.

## Number and dates of Board Meetings held during the year

Five Board Meetings were held during the Financial Year 2018-19 and the gap between two meetings did not exceed 120 days. The Meetings were held on 17th May, 2018; 28th June, 2018; 26th July, 2018; 12th November, 2018 and 04th February, 2019. The attendance at the Board Meetings during the financial year 2018-19 and at the previous Annual General Meeting is as under:

Name of Director	No. of Board Meeting Attended	Last AGM Attended
Mr. Sajjan Bhajanka	5	Yes
Mr. Sanjay Agarwal	4	No
Mr. Rajendra Chamaria	4	No
Mr. Pankaj Kejriwal	3	No
Mr. Prem Kumar Bhajanka	3	No
Mr. Mangilal Jain	5	Yes
Mr. Santanu Ray	5	Yes
Mrs. Plistina Dkhar	1	Yes
Mrs. Ibaridor Katherine War	1	No
Mr. Pramod Kumar Shah	5	No

## Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 15th March, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

## Induction and Familiarization Program for Directors

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc.

The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with the Chairman, CEO and other heads of the Company. Efforts are made to familiarize the Directors about their roles, rights and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments in the business. The details of the Director's induction and familiarization are available on the Company's website at <http://starcement.co.in/wp-content/uploads/Familiarization-Programme.pdf>

## Performance Evaluation

Pursuant to the provisions of the Companies Act, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees. A structured questionnaire for evaluation 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.

A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The performance evaluation of the Chairman and the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. The Directors expressed their satisfaction over the evaluation process.

## Resume of Directors proposed to be re-appointed/appointed

The brief resume of Directors retiring by rotation and seeking re-appointment/appointment is appended in the notice convening the ensuing Annual General Meeting.

## COMMITTEES OF THE BOARD

Currently, the Board has six committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Finance Committee and Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### Audit Committee:

The Audit Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The terms of reference of the Audit Committee are broadly inter alia as follows:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
  - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. modified opinion(s) in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
  - vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - viii. Approval or any subsequent modification of transactions of the Company with related parties;
  - ix. Scrutiny of inter-corporate loans and investments;
  - x. Valuation of undertakings or assets of the Company, wherever it is necessary;
  - xi. Evaluation of internal financial controls and risk management systems;
  - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv. Discussion with internal auditors of any significant findings and follow up there on;
  - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
  - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii. To review the functioning of the Whistle Blower mechanism;
  - xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - xx. To review utilization of loans and/ or advances by holding company in subsidiary companies exceeding ₹100.00 crores or 10% of asset size of subsidiary, whichever is lower;
  - xxi. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

### Composition, number of Meetings and Attendance

The Audit Committee met five times during the Financial Year 2018-19. The Audit Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations. Members of the Audit Committee possess financial /accounting expertise/ exposure. The Committee is chaired by Mr. Mangilal Jain. The meetings were held on 17th May, 2018; 28th June, 2018; 26th July, 2018; 12th November, 2018 and 04th February, 2019.

The composition of the Audit Committee and the details of meetings attended by the Directors are as under:

Name	Category	No. of Committee Meetings Attended
Mr. Mangilal Jain	Chairman – Independent, Non-Executive	5
Mr. Pramod Kumar Shah	Member – Independent, Non-Executive	5
Mr. Sajjan Bhajanka	Member - Non-Independent, Executive	5

Audit Committee meetings are attended by the Chief Executive Officer, Chief Financial Officer of the Company and Representatives of Statutory Auditors and Internal Auditors, are invitees for the relevant meetings. The Company Secretary acts as the Secretary of the Audit Committee.

### Nomination and Remuneration Committee:

The Nomination and Remuneration Committee determines on behalf of the Board and shareholders as per agreed term of reference, the Company's policy on specific remuneration packages for Executive Directors, Key Managerial Personnel and other employees. The Chairman of the Committee is an Independent Director and the Members on the Committee are Non-Executive Directors.

The broad terms of reference of the Committee inter alia are as follows:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

- ii. Formulation of criteria for evaluation of performance of Directors;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- v. Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- vi. To recommend all remuneration payable to Senior Management in whatever form.

### Remuneration Policy

The Company has formulated a remuneration policy with a focus on attracting talent and rewarding performance based on review of achievements.

The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Wholetime Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

The remuneration to be paid to the Executive Directors is recommended by the Nomination & Remuneration Committee based on the Net Profits of the Company which are then approved by the Board of Directors of the Company and the Shareholders of the Company in their respective meetings. The remuneration paid to the Executive Directors was determined and based on the industry benchmark, performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their performance expertise in their individual capacity as individual Professionals/Business Executives. Independent Non-Executive Directors are paid sitting fees for attending each Board

and Committee Meetings.

The appointment of the Executive Directors, if any is governed by the resolutions passed by the Board and shareholders. The service agreement is entered into with them. There is no provision for payment of severance fee under the resolutions governing appointment of Executive Directors. A notice period of three months is required to be given by the Executive Director seeking to vacate the office. The Company has no stock option plans and such option is not included in the remuneration package. During the year under review, none of the Directors was paid any bonus, pension or performance bonus. Formal appointment letter is issued to the Independent Directors and the terms and conditions of the appointment of Independent Directors is available on the web site of the Company. The Nomination & Remuneration Committee to recommend all remuneration payable to the Senior Management.

The Remuneration Policy of the Company is available on the Company's website at: <http://starcement.co.in/wp-content/uploads/Remuneration-Policy.pdf>

The composition of the Nomination and Remuneration Committee is in accordance with the regulatory requirements specified by Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee comprises of the following three members:

Name of the Member	Category	Designation
Mr. Mangilal Jain	Independent, Non-Executive	Chairman
Mr. Pramod Kumar Shah	Independent, Non-Executive	Member
Mr. Prem Kumar Bhajanka	Non-Independent, Non-Executive	Member

### Meetings and Attendance:

The Remuneration Committee meetings were held on 17th May, 2018; 28th June 2018 and 04th February, 2019 during the Financial Year 2018-19. All the Members of the Committee attended the meeting.

### Remuneration paid to the Directors:-

The details of remuneration paid to Directors for the Financial Year 2018-19 is provided below:

Sl. No.	Name of the Directors	Designation	Salary (₹)	Sitting Fees (₹)	No. of Shares held as on 31.03.2019
1.	Mr. Sajjan Bhajanka	Chairman & Managing Director	1,98,00,000	-	4,73,16,047
2.	Mr. Sanjay Agarwal	Managing Director	1,98,00,000	-	1,72,87,635
3.	Mr. Rajendra Chamaria	Vice - Chairman & Managing Director	2,37,00,000	-	2,07,29,902
4.	Mr. Prem Kumar Bhajanka	Director	-	-	3,82,22,553
5.	Mr. Pankaj Kejriwal	Director	-	-	4,522
6.	Mr. Mangilal Jain	Independent Director	-	1,92,500	4,655
7.	Mr. Santanu Ray	Independent Director	-	90,000	-
8.	Mrs. Plistina Dkhar	Independent Director	-	15,000	997
9.	Mr. Pramod Kumar Shah	Independent Director	-	1,30,000	-
10.	Mrs. Ibaridor Katherine War	Independent Director	-	15,000	-

None of the Directors of the Company / Key Managerial Personnel had any pecuniary relationship with the Company during the year.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Board has constituted "Stakeholders Relationship Committee".

The Committee's responsibility is to oversee Share Transfers and addressing to and redressal of shareholders' grievances etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agents of the Company.

The terms of reference of the Committee shall, inter alia, include:

- i. Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
- ii. Consider and approve all requests from shareholders regarding transfer & transmission of shares, issue of duplicate share certificate, consolidation of shares, demat, remat, split & folio consolidation etc.
- iii. Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- iv. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- v. To review measures for effective voting rights, adherence to service standards adopted by the Registrars & Share Transfer Agent and measures undertaken for reducing quantum of unclaimed dividend.

The Composition of Stakeholders Relationship Committee and the details of the meeting attended by the members are as follows:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Mangilal Jain	Non-Executive, Independent	Chairman	12
Mr. Sajjan Bhajanka	Executive, Non-Independent	Member	13
Mr. Sanjay Agarwal	Executive, Non-Independent	Member	13

The Company Secretary acts as Secretary to the Committee.

### Meetings and Attendance

The Stakeholder Relationship Committee meetings were held on 3rd April, 2018; 12th April 2018; 6th June, 2018; 28th June, 2018; 19th July, 2018; 24th July 2018; 24th September, 2018; 30th October, 2018; 27th November, 2018; 17th December, 2018; 31st January, 2019; 18th February, 2019 and 30th March, 2019 during the Financial Year 2018-19.

### Status of Pending Complaints:

The Company has not received any Complaints during the Financial Year 2018-19. Hence, there were no complaints pending at the

beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (CSR) Committee as required under Section 135 of the Companies Act 2013. The Committee consists of three Directors out of which one director is an Independent Director.

The terms of reference of the Committee are as follows:

- i. To formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- ii. To recommend the amount of expenditure to be incurred on CSR activities

The Corporate Social Responsibility Committee comprises of the following three members and details of the meeting attended by them are given below:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Sanjay Agarwal	Executive, Non-Independent	Chairman	1
Mr. Sajjan Bhajanka	Executive, Non-Independent	Member	1
Mr. Mangilal Jain	Non-Executive	Member	1

### Meetings and Attendance:

The Corporate Social Responsibility Committee met once on 17th May, 2018 during the Financial Year 2018-19. All the Members of the Committee attended the meeting.

The CSR Policy of the Company is available on the Company's website at: <http://starcement.co.in/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf>

**There was no instances where recommendations of the Committee not accepted by the Board of Directors.**

## FINANCE COMMITTEE

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

The terms of reference of the Committee are as follows:

- i. To approve the opening of and modification in operation of bank accounts, including closure thereof.
- ii. Borrow money by way of loan for the purpose of financing new projects, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments and take necessary actions connected therewith.

- iii. Provide corporate guarantee/performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity.
- iv. Opening, modification and closure of trading and demat accounts required for securities, derivatives and all other Options.
- v. Monitoring of loans and advances granted by the Company as approved by the Board of Directors from time to time.
- vi. Approve availing of online banking facilities in all forms including but not limited to viewing rights, transaction rights, application for Letters of Credit, Bank Guarantees, Buyers Credit and carry out all trade related transactions through internet.
- vii. Take decisions in connection with any arrangement, document or matter necessary, ancillary, incidental or desirable to give effect to all its powers and authority.
- viii. Any other financial issues or other matters, whether out of and incidental to these functions or not, as may be assigned by the Board.

The Finance Committee comprises of the following three members and details of the meeting attended by them are given below:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Sajjan Bhajanka	Executive, Non-Independent	Chairman	7
Mr. Sanjay Agarwal	Executive, Non-Independent	Member	7
Mr. Rajendra Chamaria	Executive, Non-Independent	Member	3

### Meetings and Attendance

The Finance Committee meetings were held on 16th April, 2018; 26th July, 2018; 20th August, 2018; 21st September, 2018; 03rd December, 2018; 4th February, 2019 and 22nd March, 2019 during the Financial Year 2018-19 and attendance of members are given herein above.

### RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee (RM) Committee as per requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 as amended in 2018 effective from 1st April, 2019. The Committee consists of three members out of which two are Directors and other member is the Chief Executive Officer.

The terms of reference of the Committee are as follows:

- i. To assess the Company's risk profile and key areas of risk in particular.
- ii. To recommend the Board and adoption of risk assessment and rating procedures.

- iii. To articulate the Company's policy for the oversight and management of business risks.
- iv. To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- v. To assess and recommend the Board acceptable levels of risk.
- vi. To develop and implement a risk management framework and internal control system.
- vii. To review the nature and level of insurance coverage.
- viii. To have special investigations into areas of corporate risk and break-downs in internal control.
- ix. To review management's response to the Company's auditors' recommendations those are adopted.
- x. To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process.
- xi. To ensure cyber security system is adequate to protect the Company's IT system.

As the committee is effective from 1st April, 2019, therefore, during the Financial Year 2018-19, no meeting of the Committee held.

The Risk Management Committee comprises of the following three members as given below:

Name of the Member	Category	Designation
Mr. Sanjay Agarwal	Managing Director	Chairman
Mr. Mangilal Jain	Non-Executive – Independent	Member
Mr. Sanjay Kumar Gupta	Chief Executive Officer	Member

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors of the Company has adopted a Vigil Mechanism Policy. This mechanism provides a tool in the hands of 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, leakage of unpublished price sensitive information etc., 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.

### GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings:

Financial Year	Venue	Date and time
2017-18	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	31st July, 2018 at 2:00 P.M.
2016-17	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	11th September, 2017 at 02:00 P.M.
2015-16	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	22nd August, 2016 at 03:30 P.M.

### Details of Special Resolution passed in the last three Annual General Meetings:

AGM	Date	Matter
15th	22.08.2016	Place of keeping register of Members and copies of annual return other than Registered Office of the Company.
16th	11.09.2017	NIL
17th	31.07.2018	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sajjan Bhajanka as Managing Director</li> <li>2. Re-appointment of Mr. Sanjay Agarwal as Managing Director</li> <li>3. Re-appointment of Mr. Rajendra Chamaria as Managing Director.</li> </ol>

### Details of Special Resolution passed through Postal Ballot:

The Company had sought approval of the shareholders by way of Special Resolution through notice of postal ballot dated February 4, 2019 for Re-appointment of Mr. Mangilal Jain as an Independent Director (Non – Executive) for a second consecutive term of 1 (one) year from 01st April, 2019 upto 31st March, 2020, which was duly passed and the results of which were announced on March 29, 2019. The Company extended e-voting facility through National Securities Depository Limited (NSDL). Md. Shahnawaz (Membership No. ACS 21427 and Certificate of Practice No. 15076) of M Shahnawaz and Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The voting pattern on the said resolution is as under:

Resolution: Re-appointment of Mr. Mangilal Jain as an Independent Director (Non – Executive) for a second consecutive term of 1 (one) year from 01st April, 2019 upto 31st March, 2020:

- % of votes cast in favour of the Resolution : 92.57%
- % of votes cast in against the Resolution: 7.43%

### Details of Special Resolution proposed to be conducted through Postal Ballot:

None of the businesses proposed to be transacted requires passing of a special resolution through postal ballot.

### Procedure for Postal Ballot:

- The notices containing the resolutions and explanatory statement were sent to the shareholders at the addresses registered with the Company alongwith a Postal Ballot Form and a postage prepaid self-addressed envelope containing the address of the Scrutinizer appointed by the Board for carrying out the Postal Ballot process.
- The Postal Ballot Forms received within 30 days of despatch were considered by the Scrutinizer.
- The Scrutinizer submitted his report to the Chairman of the Company, who on the basis of the report announced the results; and
- The Company had engaged the services of National Securities Depositor Limited (NSDL) for providing e-voting facility to its shareholders.

No Extra-Ordinary General meeting of the Shareholders was held during the year.

### DISCLOSURES

- No materially significant related party transactions took place between the Company and its subsidiaries, its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at <http://starcement.co.in/wp-content/uploads/Related-Party-Policy.pdf>
- There has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- There has been no instance where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required in the relevant financial year.
- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessments and procedures to minimize risk. The risk management policy is reviewed periodically to ensure that the executive management controls the risk as per decided policy.
- The Company's policy on Vigil mechanism is placed on the Company's website at <http://starcement.co.in/wp-content/uploads/Whistle-Blower-Policy-2.pdf>. We hereby affirm that no personnel have been denied access to the audit committee.
- The Directors of the Company are not related inter-se.
- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review the Company has not raised any money through public issue.
- During the year under review no instances of sexual harassment reported.
- The Company's policy on "material subsidiary" is placed on the Company's website at <http://starcement.co.in/wp-content/uploads/Policy-on-Material-subsiary-2.pdf>.
- A certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such Statutory Authority forms part of this Annual Report.
- Total consolidated fees paid for all services rendered by the Statutory Auditors to the Company, its subsidiaries and all other network entities where Statutory Auditors is a part during the year under review amounting to ₹29.14 lacs.



- The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - a) Non-Executive Chairman's Office: The Company does not have Non – Executive chairperson.
  - b) Shareholders' Rights: As the quarterly, half yearly and annual results of the Company along with significant events, if any, are published in the newspapers and also posted on the Company's website, the same are not being sent individually to the shareholders.
  - c) Modified Opinion in Audit Report: The Company's financial statement for the year ended 31st March, 2019 does not contain any modified audit opinion.
  - d) Separate posts of Chairman and CEO: The positions of Chairman and Chief Executive Officer (CEO) are separate.
  - e) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.
- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub regulation (2) of regulation 46 of the LODR.

## CREDIT RATING

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 short term rating to [ICRA] A1+ (pronounced ICRA A one plus) and upgraded the long term rating at [ICRA]AA- (pronounced as ICRA double A minus) from [ICRA]A+ (pronounced ICRA A plus).

## CODE OF CONDUCT

In pursuance of the SEBI Regulations, the Board has approved the 'Code of Conduct for Board of Directors and Senior Management' and same has been circulated and posted on the Company's website [www.starcement.co.in](http://www.starcement.co.in). The Directors and Senior Management personnel have affirmed compliance with the provisions of above Code of Conduct. The declaration by the Chief Executive Officer to this effect is also attached to this Report.

## MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per SEBI Regulations, are published in prominent English and Khasi (Regional language) newspapers usually in 'The Economic Times' and 'Hima'. The quarterly financial results, annual results, annual report and official news are posted on the website of the Company - [www.starcement.co.in](http://www.starcement.co.in).

The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting. The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company are also placed on the Company's website: [www.starcement.co.in](http://www.starcement.co.in) and can be downloaded.

All periodical compliance filings like shareholding pattern, corporate governance report, investor presentations, media releases, among others are filed electronically on NSE Electronic Application

Processing System (NEAPS) and BSE's Listing Centre which are web-based applications designed by NSE and BSE respectively for corporates and are displayed on the Company's website.

The Company has designated the following email ID exclusively for investor servicing: [investors@starcement.co.in](mailto:investors@starcement.co.in)

## MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report, forms a part of the Directors' Report.

## GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and Time	27th September, 2019 at 02:00 p.m.
Venue	Star Club, Village : Lumshnong, PO : Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210
Dates of Book Closure	19th September, 2019 to 27th September, 2019 (Both days inclusive)

## Financial Calendar (for the year 2019-20)

The Company follows financial year starting from 1st of April of the financial year and ending on 31st March of the following year.

## Proposed date for approval of financial results

First Quarter ended 30th June, 2019	Within 45 days from the end of quarter
Second Quarter ended 30th September, 2019	Within 45 days from the end of quarter
Third Quarter ended 31st December, 2019	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31st March, 2020	Within 60 days from the end of quarter

## Listing on Stock Exchanges:

The Shares of the Company are presently listed on the following Stock Exchanges:-

- a) National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra –Kurla Complex, Bandra (E)  
Mumbai- 400 051  
Stock Code - STARCEMENT
- b) BSE Ltd. (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
Stock Code - 540575

The Company has paid listing fees to NSE and BSE for the year 2019 – 20.

Annual Custody/Issuer fee for the year 2018-19 has been paid by the Company to NSDL and CDSL. Bills for the year 2019-20 are yet to be received from both NSDL and CDSL.

## ISIN Allotted to the Company by the Depositories:

The Company has signed Depository agreement with both National Securities Depository Limited and Central Depository Services (India) Limited. The ISIN allotted to the Company is INE460H01021.

## Corporate Identity Number:

L26942ML2001PLC006663

## Market Information

Market Price Data: High, Low (based on the closing prices) and volume of shares traded at BSE and NSE, for the financial year 2018-19 are as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2018	134.70	115.50	3,41,241	134.00	115.65	16,18,858
May 2018	137.25	122.55	2,20,452	137.00	122.20	23,01,484
June 2018	136.50	114.95	4,46,235	136.50	114.90	20,59,119
July 2018	126.00	109.25	1,63,020	125.00	109.45	22,05,220
August 2018	118.15	103.50	1,61,737	118.70	103.95	12,03,206
September 2018	120.00	90.00	17,17,808	124.10	80.10	63,97,868
October 2018	113.00	85.00	90,168	115.00	94.50	17,95,719
November 2018	119.10	93.25	54,477	107.80	92.95	7,75,768
December 2018	112.00	95.25	55,022	109.55	94.00	4,96,209
January 2019	105.50	90.10	1,71,391	106.00	89.85	30,35,108
February 2019	100.50	85.00	84,947	101.05	85.00	18,33,022
March 2019	109.90	90.00	8,13,194	109.00	96.00	56,78,367

Performance of the Shares of the Company in comparison to BSE Sensex is as under

Month	BSE Sensex		Company's Share	
	Closing	% Change	Closing	% Change
April 2018	35,160.36	6.65	132.25	14.40
May 2018	35,322.38	0.46	134.35	1.59
June 2018	35,423.48	0.29	115.45	(14.07)
July 2018	37,606.58	6.16	114.30	(0.99)
August 2018	38,645.07	2.69	105.90	(7.35)
September 2018	36,227.14	(6.26)	111.45	5.24
October 2018	34,442.05	(4.93)	101.25	(9.15)
November 2018	36,194.30	5.09	97.95	(3.26)
December 2018	36,068.33	(0.35)	103.60	5.77
January 2019	36,256.69	0.52	92.20	(11.00)
February 2019	35,867.44	(1.07)	98.20	6.51
March 2019	38,672.91	7.82	98.75	0.56

### Registrars and Share Transfer Agents:

M/s. Maheshwari Datamatics Private Limited  
23, R.N. Mukherjee Road,  
5th Floor, Kolkata - 700001  
Phone: 033 22435029/22482248  
Fax - 033 22484787  
Email - mdpldc@yahoo.com

### Share Transfer System

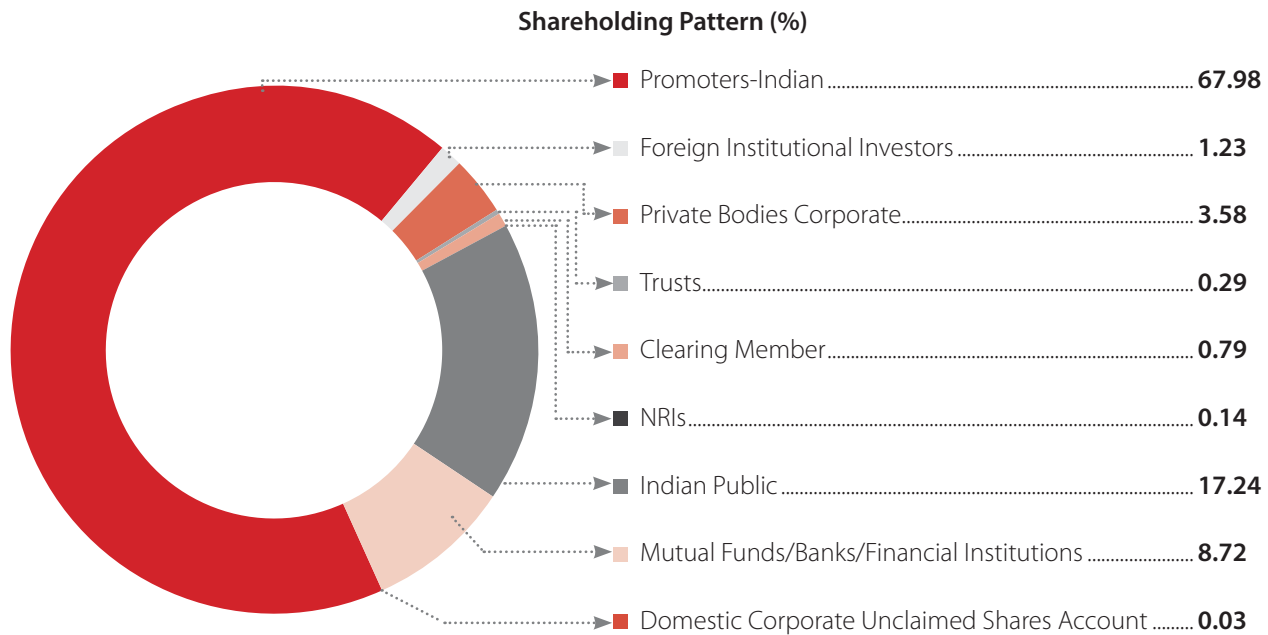
Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfers are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

Transfer of Shares in dematerialized form is duly processed by NSDL/CDSL in electronic form through the respective Depository participants. Dematerialisation is required to be done with a period of 15 days from the date of lodgment of dematerialisation request, complete in all respect, with the Depository Participant of the Shareholder.

Distribution of Shareholding of Ordinary Shares as on 31st March, 2019

Shareholding	Total No. of Shareholders	%	No. of Shares	%
1- 500	13,859	78.05	15,78,230	0.38
501-1000	1,451	8.17	11,50,524	0.27
1001-5000	1,767	9.95	38,63,113	0.92
5001-10000	296	1.67	22,79,003	0.54
10001- 20000	133	0.75	20,02,321	0.48
20001 and above	251	1.41	40,83,55,806	97.41
<b>Total</b>	<b>17,757</b>	<b>100</b>	<b>41,92,28,997</b>	<b>100</b>

## Shareholding Pattern as on 31st March, 2019



Category	Number of Shareholders*	Number of Shares	% of total Share Capital
Promoter and Promoter Group	43	28,49,92,985	67.98
Foreign Institutional Investors	23	51,45,879	1.23
Bodies Corporate	306	1,50,27,952	3.58
Trusts	8	12,37,162	0.29
Clearing Member	91	33,25,515	0.79
NRIs/ Foreign Nationals	450	5,81,061	0.14
Individual	16328	7,22,70,807	17.24
Mutual Funds/Banks/Financial Institutions/ NBFCs registered with RBI	8	3,65,15,209	8.72
Domestic Corporate Unclaimed Shares Account	1	1,32,427	0.03
<b>TOTAL</b>	<b>17,258</b>	<b>41,92,28,997</b>	<b>100.00</b>

\*Note: In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated 19.12.2017 shareholding of the promoter and promoter group, public shareholder and non-public non-promoter shareholder has been consolidated on the basis of the PAN and folio number.

### Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

41,83,44,772 Ordinary Shares of the Company representing 99.79% of the Company's share capital are dematerialised as on 31st March, 2019.

The Company has never issued any GDR/ADR/ warrants or any convertible instruments.

### RECONCILIATION OF SHARE CAPITAL AUDIT:

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited (' Depositories') and the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

## DISCLOSURES WITH RESPECT TO UNCLAIMED SHARES SUSPENSE ACCOUNT

Details as required under Schedule V of the Listing Regulations in respect of unclaimed shares transferred to the demat account "Star Cement Limited –Unclaimed Suspense Account" is as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01.04.2018	NIL	NIL
Aggregate number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account	60	1,32,427
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account	NIL	NIL
Number of shareholders to whom shares were transferred from Suspense Account during the year	NIL	NIL
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31.03.2019	60	1,32,427
Voting rights in respect of the aforesaid shares held in Unclaimed Suspense Account will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned shareholders/legal heirs		

## DISCLOSURE WITH RESPECT TO UNCLAIMED/UNPAID DIVIDEND AMOUNT

Dividend drafts in respect of the Dividend declared for the FY2017-18 have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the same may please write to the Company or its RTA for further information on this behalf. Shareholders who have not encashed the drafts are requested to do so by getting them revalidated from the Company or its RTA.

## COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Commodities form a major part of the raw materials required for Company's products and hence, commodity price risk is one of the important market risk for the Company. The Company has mechanism to ensure that the organization is protected from market volatility in terms of price and availability of raw materials and prefers long term arrangement with the suppliers. The Company does not hedge its exposure to commodity price risks.

The Company also does not hedge foreign exchange risks.

### Plant Locations:

#### Lumshnong Plant

Vill: Lumshnong, P.O. Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya – 793210

#### Sonapur Plant

Gopinath Bordoloi Road  
Vill: Chamta Pathar  
P.O. Sonapur  
Kamrup Assam  
Pin: 782402

### Address for Correspondence:

- a) Corporate Office:  
The Company Secretary & Compliance Officer  
Star Cement Limited, Satyam Tower,  
3 Alipore Road, Kolkata-700 027  
Phone: 033 22435029  
Fax: 033 22484787  
Email: investors@starcement.co.in  
Website: www.starcement.co.in
- b) Registered Office: Village: Lumshnong, P.O. Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 7th May, 2019

Sajjan Bhajanka  
(Chairman)