

Corporate Governance Disclosure

During the year ended 31/03/2016, in compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company.

◆ **Company's Philosophy on Corporate Governance**

Company's philosophy on corporate governance envisages the continuous improvement in transparency, accountability and equity, in all facets of its operations, and in all interactions with its stakeholders, including the shareholders, employees, government and lenders.

Company is committed to continuous improvement of standards of corporate governance.

Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder's value, over a sustained period of time.

◆ **Board of Directors**

Board of Directors consist of two Promoter directors at present (one Managing Director & one Executive director), Three non executive independent directors, one non executive Nominee director representing IPICOL as lenders and one non executive Woman Director.

The Independent Directors on the Board are experienced, competent and highly renowned persons from their respective fields. The Independent Directors take active part at the Board and committee Meeting which add value in the decision making process of the Board of Directors.

The Composition of the Board of Directors is in conformity with the Corporate Governance Code. The composition as on 31st March, 2016 and brief resume of each Director is given below:-

Mr. Rajendra Prasad Gupta (Managing Director):- He is an Industrialist and is one of the promoter of Shiva Cement Ltd, he is graduate engineer having 43 years business experience and more than 30 years in the cement Industry. He was present Vice Chairman of Western Zone of OASME (Orissa Assembly of Small & Medium Enterprises). He was Vice President of All India Mini Cement Plant Association, Hyderabad. He is an Executive adviser to OJC (Orissa, Chhatisgarh, Jharkhand) Chamber of Commerce. His inputs and guidance in the strategies for Company's growth ever since he was taken on the Board have been immense valuable.

Mr. Akash Gupta (Executive Director):- He is a Commerce graduate (Gold Medallist) having business experience of over 19 years in marketing of cement. He is one of promoter of Shiva Cement Ltd.

Mrs. Preeti Gupta (Woman Director):- She is a business woman having more than 11 years experience in business. She has been appointed as non-executive woman director on the Board.

Mr. B. K. Mangaraj:- He is a post Graduate Engineer having more than 33 years experience in the Mining of Limestone & other Minerals and more than 16 years experience in operation of Cement Plant. He was also awarded by the President of India in past. He has also worked with TISCO, and BSL (SAIL subsidiary) in past.

Mr. D. K. Senapati:- He is a B E and working in **IPICOL**. The Financial Institution has nominated him as director on the Board of the Company.

Mr. K. P. Jhunjhunwala:- He is a post Graduate Engineer having more than 46 years of experience in various business. He is one of the prominent industrialist in Orissa who has headed several large corporates.

Mr. Mahendra Singh:- He is B.E (Electrical) with Master degree in Management having more than 37 years of experience in various business fields.

During the year the Board met 6 times (as against the minimum requirement of 4 meetings) on the following dates namely **13/05/2015, 29/05/2015, 14/08/2015, 14/11/2015, 18/01/2016 and 15/02/2016**.

The maximum time gap between any two meetings was not more than three calendar months. The following table gives details of directors, attendance of directors at the Board meetings and at the last Annual General Meeting, number of memberships held by directors in the Board/ Committees and in other Companies :

Name	Category	Attendance Particulars		Number of other Directorship and Committee Member/ Chairmanships		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
R.P. Gupta	CMD	6	Yes	1	-	-
Akash Gupta	ED	6	Yes	1	-	-
B.K. Mangaraj	NED	2	No	-	-	-
D. K Senapati	NED	2	No	-	-	-
K. P Jhunjhunwala	NED	6	No	1	-	2
Preeti Gupta	NED	6	Yes	-	-	-
Mahendra Singh	NED	2	No	-	-	-

CMD : Chairman cum Managing Director, ED : Executive Director, NED : Non Executive Director.

Audit Committee

The Audit Committee constituted by the Board of Directors of the Company consist of 3 (Three) directors, namely Sri K. P. Jhunjhunwala, Chairman, Sri B.K. Mangaraj and Sri Mahendra Singh as other members. The constitution of Audit committee also meets with the requirements of Section 177 of the Companies Act, 2013.

During the year Four Audit Committee meetings were held on the following dates including before finalisation of accounts and adoption of quarterly financial results by the Board i.e. 28/05/2015, 13/08/2015, 13/11/2015 & 12/02/2016.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. They are as follows:-

- ◆ Oversight of the Company's financial reporting process and the disclosure of its financial information.
- ◆ Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- ◆ Reviewing with management the annual financial statements before submission to the Board, focussing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgement by management (iii) qualifications in draft audit report (i v) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- ◆ Reviewing with the management, external auditors and the adequacy of internal control systems.
- ◆ Reviewing the adequacy of internal audit functions.
- ◆ Discussion with internal audit department any significant findings and follow up thereon.
- ◆ Reviewing the findings of any internal investigations by the internal audit department into matter 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.
- ◆ Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- ◆ Reviewing the company's various financial and risk management policies.
- ◆ To look in to the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

Remuneration Committee

The Remuneration Committee of the Company comprises of 3 (Three) directors, namely Sri K P Jhunjhunwala as Chairman, and Sri B.K. Mangaraj and Sri R.P. Gupta as other members of the said committee.

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/Whole time directors. During the year the remuneration committee has met twice.

Remuneration to Directors

Sri R.P. Gupta	Managing Director	Rs.125,000/- pm
Sri Akash Gupta	Executive Director	Rs. 75,000/- pm

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

As per terms of appointment no remuneration is paid to Nominee & Independent directors.

The Company pays sitting fees only to Independent Directors at the rate of Rs. 5000/- for each meeting attended. Sitting fee paid to them for the year ended 31st March, 2016 is as follows:-

Sri K. P. Jhunjhunwala	Rs. 30,000/-
Sri Mahendra Singh	Rs. 10,000/-
Sri D K Senapati	Rs. 10,000/-
Sri B K Mangaraj	Rs. 10,000/-

Shareholders'/Investors' Grievance Committee

The Committee comprises of Sri R. P. Gupta, Chairman, Sri B.K. Mangaraj and Sri Akash Gupta. The Committee interalia, approves issue of duplicate certificates and oversees and reviews all matters connected with the share transfers. The Committee also looks into redressing of shareholders'/ investors' complaints like transfer of shares, non receipt of balance sheet, non receipt of dividends, etc.

The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for over all improvement of the quality of investor services. The Board of Directors have delegated the power for approving transfer of shares to Share Transfer committee constituted of three members i.e. Sri R. P. Gupta, Managing Director, Sri B. K Mangaraj, Director, and Sri Akash Gupta, Executive Director.

A statistical overview of the working of the Share department and Shareholder's queries/complaints resolved during the year is given below:-

Activity	Received	Replied	Pending
Transfers effected	1	1	—
Transmission effected	3	3	—
Demat requests confirmed-NSDL & CDSL	36	36	—
Remat Request	—	—	—

Queries/Complaints resolved :

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/sub-division, consolidation etc.	4	4	—
Change of Address	6	6	—

◆ **General Body Meeting**

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
31/03/2013	P-25, Civil Township, Rourkela-4	01.07.2013	11.00 AM
31/03/2014	P-25, Civil Township, Rourkela-4	10.12.2014	11.00 A M
31/03/2015	P-25, Civil Township, Rourkela-4	28.12.2015	11.00 A M

Note : During the year under review, no postal ballots voting was exercised in your company

◆ **Disclosure :**

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. —NIL—.

◆ **Accounting Treatment**

There is no material departures from the Accounting Standard as applicable to the Company.

◆ **Risk Management**

The Company has formulated a process for identifying the risks associated with the Company. The Board shall periodically review in that framework to ensure that risks had been properly assessed.

◆ **Vigil Mechanism/Whistle Blower policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

◆ **Related Party transactions disclosure**

Audit Committee has reviewed the financial and approved the related party transactions. All these transactions are in arm length basis.

◆ **Means of Communication**

The Company's financial results (Quarterly, half-yearly and annual) are communicated to shareholders through newspaper advertisements issued in Indian Express/Business Standard (English, Bhubaneswar) and Sambad/ Samaja (Oriya, Rourkela) within 24 hours of adoption thereof by the Board. The same are also circulated to Stock Exchanges where the shares of the Company are listed within 15 minutes of adoption thereof.

◆ **General Shareholder information**

a) **AGM programme :**

AGM date and time	30 th September 2016 at 11:00 A.M.
Venue	P-25, Civil Township, Rourkela-4, Orissa
Book closure	24 th September 2016 to 30 th September 2016 (both the days inclusive)
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

b) Financial Calendar 2016-17 (tentative)

Annual General Meeting : July, 2017

Board Meetings

Results for the quarter ending June 30,2016	Second Week of Aug '16
Results for the quarter ending Sep 30,2016	Second Week of Nov'16
Results for the quarter ending Dec 31,2016	Second Week of Feb '17
Results for the quarter ending Mar 31,2017	Second Week of May'17

- c) i) **Scrip Code:** Calcutta Stock Exchange 10029983
 ii) **Demat ISIN Numbers in NSDL & CDSL** Bombay Stock Exchange 532323
 Equity Shares INE555C01029

(Note: Annual listing fees for the year 2015-16 have been duly paid to the Bombay Stock Exchanges)

d) Stock Market Data:

Monthly high and low prices of the Company scrip during the year on the Bombay Stock Exchange Limited:

Month	B S E				
	High	Low	Cl. price	No. of Shares Traded	Total Turnover (Rs. Lacs)
Apr 15	4.94	3.19	3.77	13911587	572.40
May 15	3.97	3.40	3.78	5608521	210.84
Jun 15	3.84	2.97	3.09	5151394	170.97
Jul 15	4.89	3.03	3.79	10489732	415.15
Aug 15	4.30	3.05	3.42	6366719	243.32
Sep 15	3.99	3.10	3.50	4990587	167.90
Oct 15	3.79	3.25	3.32	5615250	193.58
Nov 15	5.31	3.33	5.17	11815596	521.09
Dec 15	8.80	4.90	7.21	22021551	1600.12
Jan 16	8.30	6.56	6.98	13105144	995.68
Feb 16	7.04	4.15	4.62	4394244	227.64
Mar 16	5.87	4.60	5.20	2615330	136.97

- e) **Registrar and Transfer Agents** : **Niche Technologies (P) Ltd.**
 D/511, Bagree Market
 71, BRBB Road, 5th Floor, Kolkata - 700 001

1. Share Transfer system:

The Company has, as per SEBI guidelines offered the facility of transfer cum demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Registrar along with the option letter issued by the Company. On receipt of the same, the Registrar dematerialise the shares. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the Company will despatch the share certificates after 15 days from the date of such option letter.

2. Dematerialisation of shares:

The Company's equity shares are admitted as eligible securities on National Securities Depository Ltd. and Central Depository Services (I) Ltd. under I SIN No. INE555C01029. As on 31st March, 2016, 186127664 equity shares representing 99.53% of the total paid up share capital of the Company are held by shareholders in electronic form.

Distribution of Shareholding

Category(No. of shares)	No. of Folios	%	No. of Shares	%
1-500	21120	58.81	2580067	1.38
501-1000	5461	15.21	3645975	1.95
1001- 5000	7568	21.07	14624448	7.82

5001- 10000	895	2.49	6245656	3.34
10001- 50000	706	1.97	13523856	7.23
50001- 100000	74	0.21	5039587	2.70
100001 & above	85	0.24	141340411	75.58
Total	35909	100.00	187000000	100.00

Shareholding Pattern

Category	No. of Shares	% of holdings
Promoters & Promoters Group	69467792	37.15
Financial Institutions & Banks	206083	0.11
NRI/OCB's	1368940	0.73
Bodies Corporate	62149356	33.23
Public	50650840	27.09
Others (Clearing Member/Trusts)	3156989	1.69
Total	187000000	100.00

Note : ACC Ltd is holding 236.50 lakh no. of shares which is being included in the Bodies Corporate category.

- i) **Plant Location** : Village: Telighana, Post : Biringatoli, Via - Kutra
Dist. Sundargarh (Orissa)
- ii) **Address for Investor Correspondence** : 1. The Share Department
Shiva Cement Limited,
P - 25, Civil Township,
Rourkela - 769004
2. M/s. Niche Technologies (P) Ltd.
Unit - SCL D/511, Bagree Market, 5th floor,
71, BRBB Road, Kolkata - 1.
- iii) **Any query on Annual Report** : The Share Department
Shiva Cement Limited,
P-25, Civil Township,
Rourkela - 769004.

Declaration regarding Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

FOR SHIVA CEMENT LIMITED

Rourkela - 769 004

The 30th May 2016

Sd/-

(Chairman & Managing Director)

Certification by Managing Director/CFO

To

The Board of Directors of Shiva Cement Limited

We have reviewed the financial statements, read with the cash flow statement of Shiva Cement Limited for the year ended 31st March 2016 and that to the best of our knowledge and belief, we state that ;

- ◆ (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- ◆ There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- ◆ We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- ◆ We have indicated to the Auditors and the Audit Committee;
 - (i) significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Shiva Cement Limited

Rourkela-769 004

The 30th day of May, 2016

Sd/-
(Managing Director)

Compliance Certificate on Corporate Governance

To

The Board of Directors of Shiva Cement Limited

I have examined the compliance of conditions of Corporate Governance by Shiva Cement Limited for the year ended 31st March, 2016 as stipulated in Clause- 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for PRAKASH SAHOO & ASSOCIATES
Company Secretaries
Sd/-
(Prakash Chandra Sahoo)
M.No. : FCS 7253
C.P. No. : 7917
Proprietor

Place : Rourkela
Date : 30th May, 2016