

### Corporate Governance Disclosure

During the year ended 31/03/2014, 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), Four non executive independent directors and one non executive independent director representing IPICOL as lenders.

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 31<sup>st</sup> March,2014 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 **41** years business experience and more than **28** 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 advisor 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 **17** years in marketing of cement. He is one of promoter of Shiva Cement Ltd.

**Mr. B. K. Mangaraj** :- He is a post Graduate Engineer having more than **31** years experience in the Mining of Limestone & other Minerals and more than **14** 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 **44** years of experience in various business. He is one of the prominent industrialist in Orissa who has headed several large corporates.

**Mr. O. P. Goyal** :- He is a Chartered Accountant and has four decades of wide –ranging experience in paper and cement industry, heading various functional areas as Senior/ Executive/ Director of companies. He is on the Board of several large corporates including JK Papers Limited.

**Sri Vivek Chawla** is a B E Mining, He is having vast experience in cement industry. He is at present Chief Executive of ACC Ltd for East Zone. He is nominee director from ACC Ltd.

During the year the Board met 4 times (as against the minimum requirement of 4 meetings) on the following dates namely **31/05/2013, 13/08/2013, 11/11/2013 and 14/02/2014**.

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	4	Yes	1	-	-
Akash Gupta	ED	4	Yes	1	-	-
B.K. Mangaraj	NED	3	Yes	-	-	-
Vivek Chawala	NED	-	No	3	-	-
D K Senapati	NED	-	No	-	-	-
K P Jhunjhunwala	NED	4	No	2	-	-
O P Goyal	NED	-	No	3	-	-

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

#### Audit Committee

The Audit Committee constituted by the Board of Directors consist of 3 (Three) directors, namely Sri K P Jhunjhunwala, Chairman, Sri B.K. Mangaraj and Sri O.P Goyal as other members. The constitution of Audit committee also meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

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. 30/05/2013, 12/08/2013, 08/11/2013, & 13/02/2014.

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 (iv) 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 into 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 Akash 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.125000/- pm
Sri Akash Gupta	Executive Director	Rs.75000/- pm
Sri B. K. Mangaraj	Director	Rs.70000/- 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 be 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 31<sup>st</sup> March, 2014 is as follows :-

Sri K P Jhunjhunwala	Rs. 20000/-
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**❖ Shareholders'/Investors' Grievance Committee**

The Committee comprises of Sri R P Gupta, Chairman, Sri B. K. Mangaraj and Sri Akash Gupta. The Committee inter alia, 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 overall 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	8	8	---
Transmission effected	1	1	---
Demat requests confirmed-NSDL & CDSL	39	39	---

**Queries/Complaints resolved :**

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/sub-division, consolidation etc.	6	6	---
Change of Address	7	7	---

**❖ General Body Meeting**

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

Year	Location	Date	Time
31/03/2011	P-25, Civil Township, Rourkela-4	27.06.2011	11.00 AM
31/03/2012	P-25, Civil Township, Rourkela-4	30.06.2012	11.00 AM
31/03/2013	P-25, Civil Township, Rourkela-4	01.07.2013	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 -

**❖ 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	
Venue	P-25, Civil Township, Rourkela-4, Orissa
Book closure	
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

## b) Financial Calendar 2014-15 (tentative)

Annual General Meeting : June, 2015

## Board Meetings

Results for the quarter ending June 30, 2014	Second Week of Aug'14
Results for the quarter ending Sep 30, 2014	Second Week of Nov'14
Results for the quarter ending Dec 31, 2014	Second Week of Feb'15
Results for the quarter ending Mar 31, 2015	Second Week of May'15

c) i) Scrip Code : Calcutta Stock Exchange 10029983  
Bombay Stock Exchange 532323

## ii) Demat ISIN Numbers

in NSDL &amp; CDSL Equity Shares INE555C01029

(Note: Annual listing fees for the year 2013-14 have been duly paid to all the above 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	BSE				
	High	Low	Cl. price	No. of Shares Traded	Total Turnover (Rs. Lacs)
Apr'13	3.24	2.50	3.22	8569634	247.60
May'13	3.73	2.88	2.97	9425788	308.36
Jun'13	3.46	2.50	2.62	7147712	201.86
Jul'13	2.89	2.35	2.41	6709645	178.91
Aug'13	2.70	2.01	2.09	5136882	121.05
Sep'13	2.57	2.02	2.32	4985638	114.59
Oct'13	2.50	2.11	2.21	5616650	127.81
Nov'13	2.48	2.17	2.23	5234566	119.64
Dec'13	2.52	1.91	2.46	5223869	116.17
Jan'14	2.68	2.02	2.19	5839783	138.15
Feb'14	2.32	2.01	2.12	5065100	107.56
Mar'14	2.33	1.95	2.02	8129804	175.49

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 ISIN No. INE555C01029. As on 31<sup>st</sup> March, 2014, 186125964 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	21567	58.54	2628533	1.40
501-1000	5638	15.30	3540310	1.89
1001-5000	7998	21.71	14360753	7.68
5001-10000	838	2.28	5534766	2.96
10001-50000	659	1.79	12278600	6.57
50001-100000	66	0.18	4446558	2.38
100001 & above	73	0.20	144210480	77.12
<b>Total</b>	<b>36839</b>	<b>100.00</b>	<b>187000000</b>	<b>100.00</b>

## Shareholding Pattern

Category	No. of Shares	% of holdings
Promoters & Promoters Group	69467792	37.15
Financial Institutions & Banks	206083	0.11
NRI/OCB's	1414583	0.76
Bodies Corporate	69277799	37.05
Public	43844495	23.45
Others(Clearing Member/Trusts)	2789248	1.49
<b>Total</b>	<b>187000000</b>	<b>100.00</b>

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 (Odisha)
- ii) **Address for Investor Correspondence** :
- The Share Department  
Shiva Cement Limited,  
P - 25, Civil Township,  
Rourkela - 769004
  - 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.

Rourkela - 769 004  
The 30<sup>th</sup> day of May 2014

For Shiva Cement Limited  
Sd/-  
(Managing Director)

**CEO/CFO Certification**

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 31<sup>st</sup> March 2014 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 30<sup>th</sup> day of May, 2014

Sd/-  
**(Managing Director)**

**Compliance Certificate on Corporate Governance**

To

The Board of Directors of Shiva Cement Limited

We have examined the compliance of conditions of Corporate Governance by Shiva Cement Limited for the year ended 31<sup>st</sup> March, 2014 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. Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We 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.

**Rourkela**  
Dated : 30<sup>th</sup> day of May, 2014

**For Tibrewal Chand & Co.,**  
Chartered Accountants  
**FRN : 311047E**  
Sd/-  
CA- R. Tibrewal  
Membership No. 050127  
**Partner**