

Corporate Governance Disclosure

During the year ended 31/03/2015, 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, 2015 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 has graduate engineer having 42 years business experience and more than 29 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 18 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 10 years experience in business. She has been appointed as non-executive woman director on the Board w.e.f. 31.03.2015.

Mr. B. K. Mangaraj:- He is a post Graduate Engineer having more than 32 years experience in the Mining of Limestone & other Minerals and more than 15 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. Jhunjunwala:- He is a post Graduate Engineer having more than 45 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 36 years of experience in various business fields.

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. Jhunjunwala	NED	4	No	2	-	-
O. P. Goyal	NED	-	No	3	-	-
Preeti Gupta***	NED	-	No	-	-	-
Mahendra Singh***	NED	-	No	-	-	-

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

*resigned on 09/07/2014. **resignation accepted w.e.f. 31/03/2015. ***Appointed w.e.f. 31/03/2015.

During the year the Board met 4 times (as against the minimum requirement of 4 meetings) on the following dates namely **30/05/2014, 12/08/2014, 14/11/2014, and 14/02/2015**.

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 :

Independent Directors' Meeting :

During the year under review, a separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management, was held on 10th December, 2014, as required under Companies Act, 2013 and Listing Agreement. All Independent Directors were present at the meeting to review the performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties and discuss matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.

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 O P Goyal (resigned w.e.f 31/03/2015) & Sri Mahendra Singh (appointed w.e.f. 31/03/2015) 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. 30/05/2014, 11/08/2014, 13/11/2014 & 13/02/2015.

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 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 to Directors

Sri R. P. Gupta	Managing Director	Rs.125000/- pm
Sri Akash Gupta	Executive Director	Rs.75000/- 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, 2015 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 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	7	7	—
Transmission effected		5	—
Demat requests confirmed-NSDL & CDSL	57	57	—
Remat Request	2	2	—

Queries/Complaints resolved :

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/sub-division, consolidation etc.	9	9	—
Change of Address	9	9	—

❖ General Body Meeting

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

Year	Location	Date	Time
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
31/03/2014	P-25, Civil Township, Rourkela-4	10.12.2014	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	
Venue	P-25, Civil Township, Rourkela-4, Orissa
Book closure	
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

b) **Financial Calendar 2015-16 (tentative)**

Annual General Meeting : July, 2016

Board Meetings

Results for the quarter ending June 30, 2015	Second Week of Aug '15
Results for the quarter ending Sep 30, 2015	Second Week of Nov '15
Results for the quarter ending Dec 31, 2015	Second Week of Feb '16
Results for the quarter ending Mar 31, 2016	Second Week of May '16

- c) i) **Scrp Code:** Calcutta Stock Exchange 10029983
Bombay Stock Exchange 532323

ii) **Demat ISIN Numbers**

in NSDL & CDSL Equity Shares INE555C01029

(Note: Annual listing fees for the year 2014-15 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	B S E				
	High	Low	Cl. price	No. of Shares Traded	Total Turnover (Rs. Lacs)
Apr 14	2.40	1.94	2.09	6093443	127.00
May 14	4.26	2.02	3.92	9127407	275.72
Jun 14	5.42	3.91	4.67	12014703	558.53
Jul 14	4.90	3.50	3.62	9710461	401.52
Aug 14	4.20	3.40	4.03	7559281	288.57
Sep 14	5.27	3.55	4.27	10949860	498.10
Oct 14	4.99	3.90	4.23	6616219	281.48
Nov 14	5.20	4.01	4.33	8094346	371.50
Dec 14	4.90	3.46	4.07	8727429	355.33
Jan 15	4.68	3.90	3.96	7974364	326.23
Feb 15	4.14	3.60	3.84	7311684	281.62
Mar 15	3.95	2.85	3.17	9402453	316.80

- e) **Registrar and Transfer Agents :** **Niche Technologies (P) Ltd.**
D/511, Bagree Market
71, BRBB Road, 5th Floor, Calcutta - 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 31st March, 2015, 186126899 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	20964	58.59	2537335	1.36
501-1000	5400	15.10	3482492	1.86
1001- 5000	7665	21.42	14338894	7.67
5001- 10000	881	2.46	6030584	3.23
10001- 50000	706	1.97	13373066	7.15
50001- 100000	75	0.21	5111648	2.73
100001 & above	89	0.25	142125981	76.00
Total	35780	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	2450740	1.31
Bodies Corporate	65412616	34.98
Public	47971147	25.65
Others(Clearing Member/Trusts)	1491622	0.80
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** : 1. Shiva Cement Limited,
Correspondence P - 25, Civil Township, Rourkela - 769004
 2. M/s. Niche Technologies (P) Ltd. Unit - SCL
 D/511, Bagree Market, 5th floor,71, BRBB Road, Calcutta - 1.
- iii) **Any query on Annual Report** The Share Department
 Shiva Cement Limited, P-25, Civil Township, Rourkela - 769004.

Annual Declaration by Managing Director on Code of Conduct

I Rajendra Prasad Gupta, Managing Director of Shiva Cement Limited having its registered office at P-25, Civil Township, Rourkela-769004 hereby declare that the company has formulated a code of conduct for its Directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed the Compliance of the code for the financial year 2014-15.

Rourkela - 769 004
 The 29th May 2015

FOR SHIVA CEMENT LIMITED

Sd/-
 (R.P.Gupta)
 (Managing Director)
 DIN No. : 1325989