

Corporate Governance Disclosure

During the year ended 31/03/2017, 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 one Promoter directors at present (one Managing Director), Three non executive independent directors, one non executive Nominee director representing IPICOL as lenders, and two non executive additional directors.

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, 2017 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 44 years business experience and more than 31 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. B. K. Mangaraj :- He is a post Graduate Engineer having more than 34 years experience in the Mining of Limestone & other Minerals and more than 17 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 47 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 38 years of experience in various business fields.

Mr. Manoj Kumar Rustagi :- He is a Mechanical Engineer and MBA with 20 years of experience in corporate strategy & planning, project management and various strategic initiatives for cost reduction, operations improvement and de-bottlenecking.

Mr. Narinder Singh Kahlon :- Mr. Narinder is a Chartered Accountant with 20 years of proven track record in Financial Accounting, Auditing, central Excise & custom Laws, Sales tax including VAT, Direct taxes, FEMA, Costing, Budgeting & Working Capital Management.

During the year the Board met 10 times (as against the minimum requirement of 4 meetings) on the following dates namely **24/05/2016, 30/05/2016, 13/08/2016, 31/08/2016, 12/11/2016,06/12/2016, 10/01/2017, 14/01/2017, 13/02/2017 and 28/02/2017.**

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	MD	10	Yes	1	1	1
Akash Gupta*	ED	10	Yes	1	1	-
B.K. Mangaraj	NED	1	No	-	3	-
D. .K Senapati	NED	2	No	-	-	-
K. .P Jhunjhunwala	NED	9	No	1	-	2
Preeti Gupta**	NED	10	Yes	-	-	-
Mahendra Singh	NED	5	No	-	-	-
M K Rustagi***	AD	-	-	-	-	-
N S Kahlon***	AD	-	-	-	-	-

MD : Managing Director, ED : Executive Director, NED : Non Executive Director. AD : Additional Director

*resigned on w.e.f. 10/03/2017, **resigned w.e.f 01/03/2017, *** Appointed w.e.f. 28/02/2017.

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. 30/05/2016, 12/08/2016, 12/11/2016 & 13/ 02/2017.

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 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 upto 10/03/2017

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, 2017 is as follows :-

Sri K. P. Jhunjhunwala	Rs. 45000/-
Sri Mahendra Singh	Rs. 25000/-
Sri D K Senapati	Rs. 10000/-
Sri B K Mangaraj	Rs. 5000/-

Shareholders'/Investors' Grievance Committee

The Committee comprises of Sri R. P.Gupta, Chairman, Sri B.K. Mangaraj and Sri Akash Gupta. Sri Akash Gupta has resigned w.e.f. 10th March 2017. 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 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 members i.e. Sri R. P. Gupta, Managing Director, Sri B. K. Mangaraj, Director, and Sri Akash Gupta, Executive Director. Sri Akash Gupta has resigned w.e.f. 10th March 2017.

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	--	--	--
Demat requests confirmed-NSDL & CDSL	54	54	--
Remat Request	--	--	--

Queries/Complaints resolved :

Activity	Received	Replied	Pending
Non receipt of share certificates after transfer/sub-division, consolidation etc.	—	—	—
Change of Address	5	5	—

◆ **General Body Meeting**

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

Year	Location	Date	Time
31/03/2014	P-25, Civil Township, Rourkela-4	10.12.2014	11.00 AM
31/03/2015	P-25, Civil Township, Rourkela-4	28.12.2015	11.00 A M
31/03/2016	P-25, Civil Township, Rourkela-4	25.11.2016	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 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 30 minutes of adoption thereof.

◆ General Shareholder information

a) AGM programme :

AGM date and time	21st September 2017 at 11:30 A.M.
Venue	Hotel Mantra Palace, Panposh Road, Next to Reliance Digital, Rourkela, Odisha
Book closure	15th September 2017 to 21st September 2017 (both the days inclusive)
Equity shares listed at	Bombay Stock Exchange Ltd & Calcutta Stock Exchange

b) Financial Calendar 2017-18 (tentative)

Annual General Meeting : September, 2018

Board Meetings

Results for the quarter ending June 30,2017	Second Week of Aug '17
Results for the quarter ending Sep 30,2017	Second Week of Nov'17
Results for the quarter ending Dec 31,2017	Second Week of Feb '18
Results for the quarter ending Mar 31,2018	Second Week of May'18

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

(Note: Annual listing fees for the year 2016-17 have been duly paid to 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 16	6.43	5.20	5.57	3022307	181.56
May 16	6.42	5.36	5.60	2459058	141.60
Jun 16	6.30	4.60	5.78	3926769	218.42
Jul 16	6.51	4.84	6.41	6071146	350.68
Aug 16	8.09	6.21	7.42	15248927	1113.34
Sep 16	8.25	6.15	6.94	8180975	604.21
Oct 16	11.80	6.20	10.60	26125566	2465.67
Nov 16	10.95	7.30	10.09	8366656	765.25
Dec 16	12.20	9.00	11.99	9929739	1079.82
Jan 17	15.58	11.75	15.58	31081169	4317.70
Feb 17	18.50	16.00	17.35	20975936	3503.84
Mar 17	19.15	17.00	19.15	11944475	2246.00

- 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 31st March, 2017, 194128899 equity shares representing 99.55% 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	21808	61.52	2760862	1.42
501-1000	5162	14.56	3598859	1.84
1001- 5000	6777	19.12	13550932	6.95
5001- 10000	878	2.48	6412854	3.29
10001- 50000	679	1.91	14234735	7.30
50001- 100000	75	0.21	5198158	2.67
100001 & above	70	0.20	149243600	76.53
Total	35449	100.00	195000000	100.00

Shareholding Pattern

Category	No. of Shares	% of holdings
Promoters & Promoters Group	13975	0.01
Financial Institutions & Banks	206083	0.10
NRI	1088111	0.56
Bodies Corporate	138984569	71.27
Public	49759056	25.52
Others(Clearing Member/Trusts)	4948206	2.54
Total	195000000	100.00

Note : JSW Cement Ltd is holding 96337806 no. of shares which is 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, YY-5, Civil Township, Rourkela - 769004 (Old Address - 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, Calcutta - 1.
- iii) **Any query on Annual Report** : The Share Department
Shiva Cement Limited,
YY-5, 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

Date : 04th August 2017

Sd/-
(Managing Director)