

ANNEXURE – III
REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company’s Philosophy is that Corporate Governance is the application of ethical business practices with all stakeholders coupled with compliance of law. The Company has all along believed in and practiced fair business and corporate practices with all its stakeholders and associates.

The Company believes that a Vibrant and Independent Board should be at the helm of affairs to ensure the highest levels of Corporate Governance. Accordingly your Company has always had adequate competent Independent Directors. For effective discharge of its functions and proper deliberations, Board has constituted various committees.

Given below is the report of Directors on the practices prevalent on Corporate Governance in the Company.

2. BOARD OF DIRECTORS:

i. Composition of the Board and details of Directorship(s) in other Companies:

As on 31st March, 2012 your Company’s Board comprises of 10 Directors with considerable experience in their respective fields. Of these 5 are Non - Executive Independent Directors. The details of the Directors with regard to their other directorship (excluding Private Limited Companies and Section 25 Companies) and Committee Positions are as follows :-

Sr. No.	Name of Directors	Executive/ Non-Executive/ Independent/ Nominee	No. of Other Directorships	Chairman of the Board	Board Committees of which he/she is a Member	Chairman of the Committee
1.	Shri Rajinder Miglani	Executive Chairman	6	-	-	-
2.	Shri S P Talwar	Independent	11	-	8	4
3.	Shri P G Kakodkar	Independent	7	1	5	2
4.	O P Gahrotra	Independent	3	-	-	-
5.	Shri S T Parikh	Independent	-	-	-	-
6.	Smt. Swarna Prabha Sukumar	Independent (Nominee of LIC)	-	-	-	-
7.	Shri Anuj R Miglani	Managing Director	10	-	-	-
8.	Shri Ankit Miglani	Dy. Managing Director	8	-	-	-
9.	Shri A. K. Mahendru	Director (Commercial)	-	-	-	-
10.	Shri S.G. Tudekar	Director (Works)	-	-	-	-

ii. Attendance of each Director at the Board Meeting during the Financial Year 2011-2012 and the last Annual General Meeting (AGM) :

Sr. No.	Name of the Directors	Attendance at Board Meetings	Attendance at Last AGM
1	Shri Rajinder Miglani	4	Yes
2	Shri S. P. Talwar	1	No
3	Shri P.G.Kakodkar	2	No
4	Shri S.T.Parikh	4	Yes
5	Dr. N.S.Datar	3	Yes
6	Smt. Lalita Sharma	2	No
7	Smt. Swarna Prabha Sukumar	4	Yes
8	Shri Anuj R Miglani	3	Yes
9	Shri Ankit Miglani	4	Yes
10	Shri A. K. Mahendru	3	Yes
11	Shri S.G.Tudekar	4	Yes

iii. The Board of Directors during the Financial Year 2011-2012 had Four Meetings which are as follows:

- 1) 30.05.2011 2) 30.07.2011 3) 21.10.2011 4) 21.01.2012



3. AUDIT COMMITTEE:

i. Brief Description of Terms of Reference: –

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The terms of reference and powers of the Audit Committee are as mentioned in Clause 49 II (A) to (E) of the Listing Agreement entered into with the Stock Exchanges and read with Section 292A of the Companies Act, 1956, includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function, internal contract and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

ii. Composition, Name of Members & Chairperson:-

a. Composition of Audit Committee till 20th December, 2011 was as follows:

1. Dr. N. S. Datar 2. Shri P. G. Kakodkar 3. Shri S. T. Parikh

The Audit Committee was reconstituted during the year at the meeting held on 21st January, 2012 due to sad demise of Dr. N S Datar on 21st December, 2011 who was acting as the Chairman of the Committee.

b. Currently the composition of the Committee is as follows:

1. Shri S. T. Parikh 2. Shri P. G. Kakodkar 3. Shri. O P Gahrotra

All the Members of the Audit Committee are Non-Executive Independent Directors. They are financially literate and possess sound knowledge of accounts, audit, finance etc. Shri S. T. Parikh is the Chairman of the Audit Committee.

The Executive Chairman, Director (Finance) & CFO, the Internal Auditor and the representatives of Statutory Auditors are invitees to the meetings of the Audit Committee.

The Cost Auditors appointed by the Company u/s 233B of the Companies Act, 1956 attends the Audit Committee Meeting whenever Cost Audit Report is discussed.

The Operations Heads are invited to the Meetings, as and when required.

Shri R Agrawal, Sr. Vice President & Company Secretary acts as the Secretary of the Audit Committee.

iii. Meetings and attendance during the year: –

The Audit Committee during the Financial Year 2011 – 2012 had the following meetings:-

- 1) 30.05.2011 2) 30.07.2011 3) 21.10.2011 4) 21.01.2012

iv. During the period 01.04.2011 to 31.03.2012, the Audit Committee met Four times and the attendance of the Audit Committee members at the said meetings are detailed below:

Sr. No.	Name of Directors	No. of Meetings attended
1.	Dr. N .S. Datar	3
2.	Shri P. G. Kakodkar	4
3.	Shri S. T. Parikh	4

Dr. N. S. Datar, Ex Chairman of the Audit Committee was present at the Last Annual General Meeting of the Company to answer Shareholder's queries.

4. SUBSIDIARY COMPANIES:

Your Company does not have any Indian Subsidiary Company. However, the Company has Five Subsidiary Companies incorporated Abroad (Including one downstream wholly owned Subsidiary).

5. REMUNERATION COMMITTEE:

i. Brief Description of Terms of Reference: –

Pursuant to the Clause 49 of the Listing Agreement and Schedule XIII to the Companies Act, 1956, the terms of reference of the Remuneration Committee is to determine Company's policy on remuneration to Executive Directors including pension and any compensation payments and also to approve payment of remuneration to Managing or Whole Time Directors.

ii. Composition, Name of Members & Chairperson:-

a. Composition of Remuneration Committee till 20th December, 2011 was as follows:

1. Dr. N. S. Datar 2. Shri S. T. Parikh 3. Smt. Lalita Sharma

The Remuneration Committee was reconstituted on the meeting held on 21st January, 2012 due to withdrawal of the Nominee Director Smt. Lalita Sharma by IDBI and sad and sudden demise of Dr. N S Datar on 21st December, 2011, who was acting as the Chairman of the Committee.

b. Currently the Composition of the Committee is as follows:

1. Shri S. T. Parikh 2. Shri. P G Kakodkar 3. Smt. Swarna Prabha Sukumar

All the members of the Remuneration Committee are Non-Executive Independent Directors and Shri S. T. Parikh is the Chairman.

iii. **Attendance during the Year: –**

During the period 01.04.2011 to 31.03.2012, the Remuneration Committee met on 30th July, 2011 and 21st October, 2011 and the attendance of the members at the said meeting are detailed below: –

Sr. No.	Name of Directors	No. of Meetings attended
1.	Dr. N. S. Datar	2
2.	Shri S. T. Parikh	2
3.	Smt. Lalita Sharma	1

iv. **Remuneration Policy:**

The remuneration to the Executive and Non - Executive Directors of the Company is approved by the Remuneration Committee as per the Remuneration Policy of the Company.

v. **Details of remuneration to all the Directors:**

a **Non-Executive Directors:**

The Non-Executive Directors are paid sitting fees as remuneration for attending the Meetings of Board of Directors, Audit Committee, Remuneration Committee, Committee of Directors and Shareholders / Investors Grievance Committee. Save and except the following, there are no pecuniary relationship or transactions of the Non - Executive Directors viz-a-viz the Company.

Sr. No.	Name of Directors	Sitting Fees (₹)	Equity Shares held in the Company
1.	Shri S. P. Talwar	10,000	NIL
2.	Shri P. G. Kakodkar	40,000	NIL
3.	Shri S. T. Parikh	1,04,000	53300
4.	Dr. N. S. Datar	51,000	3600
5.	Smt. Lalita Sharma	25,000	NIL
6.	Smt. Swarna Prabha Sukumar	50,000	NIL

b **Executive Directors:**

Sr. No.	Name of Directors	Position	All elements of remuneration i.e salary, benefits, allowances, bonus, contributions and perquisites (₹ in Crores)
1.	Shri Rajinder Miglani	Chairman	1.11
2.	Shri Anuj R Miglani	Managing Director	1.15
3.	Shri Ankit Miglani	Dy. Managing Director	1.15
4.	Shri A. K. Mahendru	Director (Commercial)	0.36
5.	Shri S. G. Tudekar	Director (Works)	0.36

vi. **Disclosures regarding Directors appointment & re-appointment:**

a **Appointment and Resignation of Directors:**

During the year Shri O P Gahrotra was appointed as an Additional Director with effect from 21st January, 2012. Shri Ankit Miglani was re - appointed as the Dy. Managing Director of the Company for the period of three years, from 29th July, 2011 to 28th July, 2014.

Shri A K Mahendru was re-appointed as the Director (Commercial) for the further period of three years, commencing from 28th October, 2011 to 27th October, 2014.

Shri S G Tudekar was re-appointed as the Director (Works) for the further period of three years, commencing from 28th October, 2011 to 27th October, 2014.

Dr. Narayan S. Datar, Director of the Company passed away on 21st December, 2011.

IDBI Bank has withdrawn the Nomination of Smt. Lalita Sharma from the Board with effect from 13th August, 2011 as all the outstanding dues together with the interest have been re-paid by the Company.

**b Re-appointment of Directors:**

Shri Rajinder Miglani and Shri P G Kakodkar retires by rotation and being eligible have offered themselves for re-appointment. The Board of Directors recommends their re-appointment.

Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of the Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company.
Shri Rajinder Miglani	He is an Industrialist and joined the Board as the Promoter Director on 30.12.1988. He is a graduate and having more than 46 years of experience in the Steel Industry.	Industrialist	<ul style="list-style-type: none"> ○ Shree Uttam Steel and Power Limited ○ Uttam Galva Metallics Limited ○ Uttam Distribution Network Limited ○ Uttam Metallics and Steels Limited ○ Uttam Galva Ferrous Limited ○ Vibrant Realty And Infrastructure Limited 	1391855
Shri P G Kakodkar	He is a M.A. (Economics) and having more than 45 years of experience in Banking Sector. He is a retired Chairman of State Bank Of India. He joined the Board on 10 th September, 1999.	Banking & Finance	<ul style="list-style-type: none"> ○ Goa Carbon Ltd. ○ Sesa Industries Ltd. ○ Fomento Resorts and Hotels Limited ○ Financial Technologies (India) Ltd. ○ Accounts Receivables Management Services (India) Ltd. ○ Apian Finance And Investment Ltd. ○ Multi Commodity Exchange Of India Limited 	Nil
Shri O P Gahrotra	He is a member of the Indian Administrative Service (IAS). He belongs to the 1969 batch of Maharashtra Cadre of Service. He retired as an Additional Chief Secretary to the Government of Maharashtra. He has worked as Senior Executive Director of Securities and Exchange Board of India (SEBI) and was a SEBI Nominee on the Board of Directors of the NSE. Shri O P Gahrotra has joined the Board with effect from 21 st January, 2012 as an Additional Director of the Company. He is having more than 40 years of experience in Financial Sector.	Finance	<ul style="list-style-type: none"> ○ Trimax IT Infrastructure & Services Limited ○ Kalpataru Limited ○ Thdc India Limited 	Nil

6. SHAREHOLDERS' COMMITTEE**i. Name of Non-Executive Director Heading the Committee:**

Shri S T Parikh, Non-Executive Director, is the Chairman of the Shareholders' / Investors' Grievance Committee. The Committee is looking after the Shareholders' / Investors' Grievance and redressal of investors' / shareholders' complaints related to transfer of shares, non-receipt of balance sheets, non-receipt of declared dividends etc. This Committee consists of the following Independent Directors as its members: –

1. Shri S T Parikh
2. Shri A K Mahendru

During the Financial Year 2011-2012, the Committee had two meetings i.e. on 21.10.2011 and 21.01.2012.

ii. Name and Designation of Compliance Officer:

Shri R Agrawal – Sr. Vice President & Company Secretary is the Compliance Officer.

iii. Number of Shareholders Complaints received during the Financial Year:

During the Financial Year 2011-2012, the Company has received 8 complaints.

iv. Number of complaints not solved to the satisfaction of the shareholders:

Nil

v. Number of pending Complaints:

Nil

Uttam Galva Steels Limited

7. EQUITY SHARES IN THE SUSPENSE ACCOUNT:

In terms of Clause 5A(l) of the Listing Agreement, the Company reports that there are no Equity Shares lying in the suspense account.

8. GENERAL BODY MEETINGS:

i. Location and time when the Last three Annual General Meetings held:

The details of the Annual General Meetings held in last three years are as under:

Year	Day, Date and Time	Location
2008-2009	24 th AGM held on Saturday, the 26 th September, 2009 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2009-2010	25 th AGM held on Saturday, the 18 th September, 2010 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2010-2011	26 th AGM held on Saturday, the 20 th August, 2011 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.

ii. Special Resolution passed in previous three Annual General Meetings: Four

Year	Special Resolution	Particulars
2008-2009	1) Re-appointment of Shri S. G. Tudekar, Director (Works).	For a period of Three Years w. e. f. 28 th October, 2008.
	2) Alteration of Articles of Association of the Company.	Substitution of Article 21 in respect of the Remuneration to Directors by way of Sitting Fees.
	3) Alteration of Articles of Association of the Company.	Substitution of Article 29 in respect of Nominee Directors.
2009-2010	Alteration of Articles of Association of the Company.	Substitution of Article 3 in respect of Authorized Share Capital of the Company.
2010-11	Nil	Nil

iii. Special Resolution passed last year through Postal Ballot:

Nil

iv. Person who conducted the Postal Ballot exercise:

N.A.

v. Special Resolution proposed to be conducted through Postal Ballot:

None

vi. Procedure for Postal Ballot:

N.A.

NOTE: All the Resolutions set out in the respective Notices for the above Meetings were duly passed by the Shareholders with the requisite majority in each case.

9. DISCLOSURES

i. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountant of India (ICAI).

ii. DISCLOSURE ON RISK MANAGEMENT

The Company has laid down procedures to inform the Board of Directors about the Risk Assessment and Minimisation Procedure. These procedures are periodically reviewed by the Board to ensure that Executive Management controls risk through means of properly defined framework.

iii. DISCLOSURE ON RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions during the year having potential conflict with the interest of the Company at large. Critical risk management framework have been put in place across the Company. The Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business.

iv. DISCLOSURE ON REQUIREMENTS OF THE LISTING AGREEMENT

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during last three years.

v. It is confirmed that no personnel has been denied access to the Audit Committee.



10. MEANS OF COMMUNICATION

i. Quarterly Results:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

ii. Newspapers wherein results normally published:

Un-audited and Audited Financial Results are published in Free Press Journal (English) having all India coverage and Navshakti (Marathi) local newspaper.

iii. Website:

Name of the Company's Website where the results are displayed is www.uttamgalva.com.

iv. Official News Releases:

The Company displays official news releases as and when the situation arises.

v. Presentations:

The Company makes presentation to institutional investors or the analysts when found appropriate.

vi. Email Id: shares@uttamgalva.com

11. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting

Date, Time and Venue : 21st July, 2012, Saturday at 11.a.m at M. C. Ghia Hall, 18/20, K Dubhash Marg, Mumbai - 400 001

ii. Financial Year : 2011 - 2012

iii. Date of Book Closure : 17th July, 2012 to 21st July, 2012 (both days inclusive)

iv. Dividend Payment Date : Not Applicable

v. Listing on Stock Exchanges : Bombay Stock Exchange Ltd (BSE) & National Stock Exchange of India Ltd. (NSE).

vi. Stock Code:

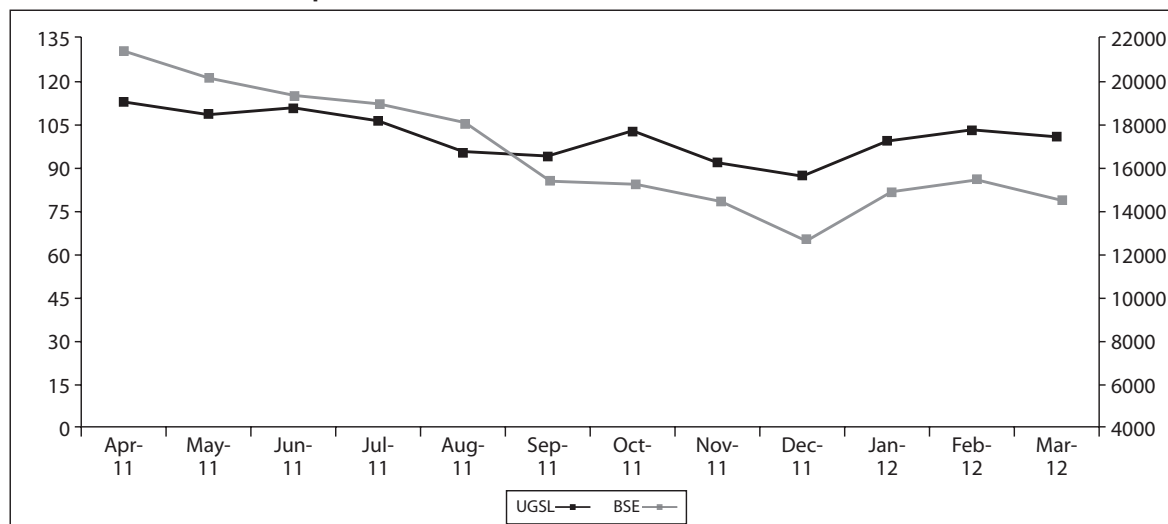
Name of the Stock Exchange (<i>Equity Shares</i>)	Stock Code
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513216
National Stock Exchange of India Ltd. Exchange Plaza, 5 th floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	UTTAMSTL

Name of the Stock Exchange (<i>Debentures</i>)	Stock Code
Bombay Stock Exchange Ltd., WDM Segment, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	946633

vii. Market Price Data: High, Low of each month during the Financial Year 2011-2012:

Month	Quotation at Bombay Stock Exchange		Quotation at National Stock Exchange	
	HIGH	LOW	HIGH	LOW
April 2011	129.50	112.25	130.55	112.25
May 2011	121.40	106.00	121.95	105.55
June 2011	115.50	98.10	115.50	99.15
July 2011	113.60	101.10	111.65	102.00
August 2011	105.00	71.00	104.50	70.00
September 2011	84.95	70.05	84.75	70.10
October 2011	83.90	66.00	83.85	65.55
November 2011	78.00	55.75	81.00	56.15
December 2011	64.50	48.00	64.70	48.10
January 2012	81.35	49.50	81.40	51.35
February 2012	85.40	68.20	87.00	68.55
March 2012	78.35	65.00	78.40	64.40

viii. Performance in comparison to BSE Sensex



ix. Registrar and Share Transfer Agent:

Universal Capital Securities Private Limited
(Earlier Known as Mondkar Computers Private Limited),

21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.

Tel. No.: 28207203/05

E-mail: info@unisec.in

x. Share transfer system :

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agent in approximately 20 to 25 days of receipt of the documents, provided documents received are found in order. Shares under objections are returned within 15-20 days. The Share Transfer Committee meets generally on fortnightly basis to consider the transfer proposals.

xi. Distribution of Shareholding :

The Shareholding distribution of equity shares as on 31st March, 2012 is given here below:

Sr. No.	Nominal Value of Shares (₹)	No. of Shareholders	No. of Shares	Percentage (%) of Shareholding
1	UPTO – 5,000	26390	3864834	3.161
2	5,001 – 10,000	1815	1504871	1.231
3	10,001 – 20,000	703	1091513	0.893
4	20,001 – 30,000	210	541939	0.443
5	30,001 – 40,000	98	353161	0.289
6	40,001 – 50,000	72	342763	0.280
7	50,001 – 1,00,000	130	970915	0.794
8	1,00,001 ABOVE	142	113590107	92.909
	TOTAL	29560	122260103	100.00

xii. Dematerialization of Shares and Liquidity:

Nearly 95.68% of total Equity Share Capital is held in dematerialized form with NSDL/CDSL.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

Nil



xiv. Plant Locations:

1. Khopoli – Pen Road, Donvat, Dist. – Raigad, Maharashtra.
2. Khopoli – Pali Road, Dahivali, Dist.– Raigad, Maharashtra.

xv. Address for correspondence:

Registered office : Uttam House, 69, P.D'Mello Road, Mumbai 400 009.

Email : shares@uttamgalva.com

Website : www.uttamgalva.com

xvi. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director forms part of this Report.

xvii. Auditors' Certificate on Corporate Governance:

The Auditors' Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an Annexure to this Report.

xviii. Mandatory / Non Mandatory Requirements:

During the Financial Year ended 31st March, 2012, the Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company will implement other non mandatory requirements as mentioned in Clause 49 of the Listing Agreement at the appropriate time.

xix. Shareholding Pattern:

Pattern of equity shares as on 31st March, 2012 is given here below:

Category	No. of Shares Held	% of holding
A. Promoter's Holding		
1. Promoters		
- Indian Promoters	45266220	37.02
- Foreign Promoters	41327931	33.80
2. Persons acting in concert	0	0
Sub-Total (A)	86594151	70.83
B. Non-Promoters Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	74650	0.06
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non Govt. Inst.)	14725	0.01
c. FIIs	18947155	15.50
Sub-Total (B) (1)	19036530	15.57
2. Others		
a. Bodies Corporate	2218174	1.81
b. Indian Public	9920000	8.11
c. NRIs/OCBs	4208255	3.44
d. Others	282993	0.23
Sub-Total (B) (2)	16629422	13.60
C. Shares held by Custodians and against which Depository Receipts have been issued	00	00
GRAND TOTAL	122260103	100.00

DECLARATION

To,
The Members of
Uttam Galva Steels Limited,
Mumbai.

I, Anuj R Miglani, Managing Director of Uttam Galva Steels Limited, having its Registered Office at Uttam House, 69, P. D' Mello Road, Mumbai – 400 009, do hereby declare that the Code of Conduct for Directors and Senior Management have been prepared in terms of Clause 49 of Listing Agreement (as amended) and the same have been affirmed by the Board Members and Senior Management of the Company.

I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Clause 49 of the Listing Agreement.

For **Uttam Galva Steels Limited**

Anuj R Miglani
Managing Director

Place : Mumbai
Date : 9th May, 2012

CERTIFICATE

To,
The Members of
Uttam Galva Steels Limited,
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by **UTTAM GALVA STEELS LIMITED** for the Financial Year ended 31st March, 2012, as stipulated in Clause 49 (as amended) of the Listing Agreement of the said Company, with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the 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, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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.

For **M/s Prakkash Muni & Associates**
Chartered Accountants
Firm Registration No. 111792W

Prakkash R Muni
Partner
Membership No. 30544

Place : Mumbai
Date : 9th May, 2012