



ANNEXURE – V
REPORT ON CORPORATE GOVERNANCE

The Board of Directors of your Company has taken adequate steps to adhere to all the compliances with the Corporate Governance as specified in the Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter known as 'Listing Regulations'), erstwhile Listing Agreement with the stock exchanges.

1. THE COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE:

We, Uttam Galva Steels Limited, feel that the Corporate Governance is a process which enables the Company to operate in a systemic manner to meet its ethical, legal and business expectations and at the same time fulfill its social responsibilities. The core value of Corporate Governance lies in integrity, transparency, accountability, high degree of disclosures, emphasis on product quality and adopting best business practices.

2. BOARD OF DIRECTORS:

The Company believes that a diverse 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, the Board has constituted various committees.

(a) Composition of the Board:

Your Company maintains an optimum combination of Executive and Non-executive Independent Directors with at least one Woman Director on the Board. The Board consisted of 7 Directors with considerable experience in their respective fields. Of these, 4 are Non - Executive Independent Directors including a Woman Director on the Board of the Company. Accordingly, the composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations.

(b) Details of the Directorship / Committee Chairmanship and Memberships held by the Directors in other Companies and attendance record of them at the Board Meeting and at the last AGM:

| Sr No. | Name of Directors | Category of Directors | Attendance | | *No. of Other Director ship | Chairperson of the Board | **Board Committee | | No. of shares held by Directors |
|--------|--|------------------------------------|----------------|----------|-----------------------------|--------------------------|----------------------|---------------------------|---------------------------------|
| | | | Board Meetings | Last AGM | | | Director is a Member | Director is a Chairperson | |
| 1 | Shri Rajinder Miglani | Non- Executive Chairman (Promoter) | 4 | Yes | 9 | 2 | 1 | 1 | 13,91,855 |
| 2 | Shri O P Gahrotra | Independent Director | 4 | Yes | 5 | Nil | Nil | Nil | Nil |
| 3 | Shri R K Dubey (appointed on 30.10.2015) | Additional Director | 1 | NA | 2 | Nil | Nil | Nil | Nil |
| 4 | Smt. Swarna Prabha Sukumar | Independent Director | 4 | No | Nil | Nil | Nil | Nil | Nil |
| 5 | Shri B L Khurana (appointed on 27.05.2016) | Additional Director | Nil | NA | 6 | Nil | 2 | Nil | Nil |
| 6 | Shri Anuj R Miglani | Managing Director (Promoter) | 4 | Yes | 11 | - | 1 | Nil | 13,02,094 |
| 7 | Shri G S Sawhney | Director (Finance) & Group CFO | 4 | Yes | 1 | - | Nil | Nil | 14,234 |

* The Directorship includes Private Limited Company and excludes Section 8 Companies as per the Companies Act, 2013.

** Board Committee includes Audit committee and Stakeholders' Relationship Committee as per Regulation 26 of the Listing Regulations.

Uttam Galva Steels Limited

During the year, State Bank of India has appointed Shri R. K. Garg as a Nominee Observer on the Board of the Company and he is a permanent invitee to the Board Meetings.

(c) Meetings :

The Board of Directors of the Company met four times during the Financial Year 2015-16 on following dates:

- 1) 22.05.2015 2) 31.07.2015 3) 30.10.2015 4) 12.02.2016

(d) Disclosure of relationships between Directors:

Shri Rajinder Miglani – Non Executive Chairman of the Company is the father of Shri Anuj R Miglani – Managing Director and Shri Ankit Miglani (Director till 21.04.2016). Except for the abovementioned Directors, none of the other Directors are related to each other.

(e) Disclosure for Independent Directors:

During the year under review, a separate Meeting of Independent Directors was held on 12th February, 2016 and all the Independent Directors were present in that meeting.

Pursuant to the provisions of the Regulation 25(7) of the Listing Regulations, the web link of the details of Familiarization Programme for Independent Directors is disclosed here below:

<http://uttamgalva.com/company/Familiarization%20programme%20for%20independent%20directors.pdf>

3. **AUDIT COMMITTEE:**

(a) Brief Description of Terms of Reference:

Your Company has constituted a well-qualified and Independent Audit Committee in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013 and rules made thereunder. Two - Third of the Members of this Committee are Independent Directors including the Chairman.

The role of the Audit Committee are as per the guidelines specified in Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, which *inter alia* includes overseeing the Company's financial reporting process, reviewing the financial statements with the management and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliances and issues related to risk management and compliances.

The Audit Committee has power to investigate into any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Composition, Name of Members & Chairperson:

The Audit Committee comprises of three Directors and out of them two are Independent Directors. All the members of the Committee are financially literate and possess sound knowledge of accounts, audit, finance, etc.

Shri O P Gahrotra is the Chairman of the Audit Committee, Smt. Swarna Prabha Sukumar and Shri G S Sawhney are the members of the Committee as on 31.03.2016.

Details of meetings attended by the Directors during the year under review are as follow:

| Sr. No. | Name of Directors | No. of Meetings attended |
|---------|--|--------------------------|
| 1. | Shri O P Gahrotra | 4 |
| 2. | Shri S T Parikh (upto 30.07.2015) | 1 |
| 3. | Shri D L Rawal (upto 28.01.2016) | 3 |
| 4. | Smt. Swarna Prabha Sukumar (from 30.10.2015) | 1 |
| 5. | Shri G S Sawhney (from 12.02.2016) | 1 |
| 6. | Shri B L Khurana (from 27.05.2016) | NIL |



The Internal Auditor and Statutory Auditors are Permanent invitees to the meetings of the Audit Committee. The then Chairman of Audit Committee, Shri D L Rawal was present in the Annual General Meeting held on 29th August, 2015 as per Regulation 18(d) of the Listing Regulations (erstwhile clause 49 of the Listing Agreement with the stock exchanges).

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

The Cost Auditors appointed by the Company under Section 148 of the Companies Act, 2013 attends the Audit Committee Meeting whenever Cost Audit Report is discussed.

Shri R Agrawal, President & Company Secretary acts as the Secretary to the Audit Committee.

(c) Meetings:

During the Financial Year 2015-16, the Audit Committee met four times on following dates:-

- 1) 22.05.2015 2) 31.07.2015 3) 30.10.2015 4) 12.02.2016

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief Description of Terms of Reference:

Your Company has set up the Nomination & Remuneration Committee as prescribed under the Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013. The role of committee is *inter-alia* to formulate the Company's policy to determine qualifications, positive attributes and independence of directors and to formulate the criteria for evaluation of Independent Directors and also to approve payment of remuneration to Directors, Managerial personnel and other employees.

(b) Composition, Name of Members & Chairperson:-

All the members of the Nomination and Remuneration Committee are Non-Executive Directors.

Shri O P Gahrotra is the Chairman of the Nomination and Remuneration Committee, Smt. Swarna Prabha Sukumar and Shri Rajinder Miglani are the members of the Committee as on 31.03.2016.

Details of meetings attended by the Directors during the year under review are as follow:

| Sr. No. | Name of Directors | No. of Meetings attended |
|---------|---|--------------------------|
| 1. | Shri O P Gahrotra (from 30.10.2015) | NIL |
| 2. | Shri S T Parikh (upto 30.07.2015) | NIL |
| 3. | Shri D L Rawal (upto 28.01.2016) | 2 |
| 4. | Smt. Swarna Prabha Sukumar | 2 |
| 5. | Shri Rajinder Miglani (from 12.02.2016 to 27.05.2016) | NIL |
| 6. | Shri B L Khurana (from 27.05.2016) | NIL |

(c) Meetings :-

During the Financial Year 2015-16, the Nomination and Remuneration Committee met two times on the following dates:

- 1) 31.07.2015 2) 30.10.2015

(d) Remuneration Policy:

The Company has formulated this policy to determine the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Executives of the Company. The basic objectives of the policy are highlighted here below:

- To ensure that Whole Time Directors, Key Managerial Personnel and Senior executives of high caliber are being attracted and retained and are sufficiently compensated for their performance.

Uttam Galva Steels Limited

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in the Policy.
- Evaluate the performance of the Whole time Directors, Key Managerial Personnel and Senior executives.
- To recommend to the Board for Remuneration payable to the Whole time Directors, Key Managerial Personnel and Senior Executives.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Whole time Directors, Key Managerial Personnel and Senior Executives.

(e) Performance evaluation criteria for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and Regulations 19 read with the Part D of the Schedule II of the Listing Regulations, the Nomination and Remuneration Committee (NRC) has laid down the criteria for performance evaluation of the Independent Directors which are as follows:

1. Attendance at Board Meetings and General Meetings.
2. Participation in Board Meetings.
3. Independence and candidness shown in Board Meetings.
4. Objectivity and constructiveness in expressing views.
5. Interaction with Executive Directors and Senior Management both during and outside Board Meetings.
6. Awareness of legal provisions regarding duties, responsibilities and obligations relating to the Company and shareholders.
7. Awareness about provisions relating to Corporate Governance, Risk Management, disclosure and legal Compliances.
8. Skills, experience and knowledge in their respective field.
9. Any other observation that Directors wish to make in this regard.

5. REMUNERATION OF DIRECTORS:

The details of the remuneration paid to all the Directors are broadly given in point no. (VI) of the Form MGT-9, Extract of Annual Return which is annexed to the Directors' Report. Moreover, the Company would like to present the following additional disclosures as required under Listing Regulations:

- (i) All elements of remuneration package of individual directors as summarized under salary, perquisites and pensions. Except that there are no other benefits such as bonuses and stock option as part of the salary.
- (ii) The salary to executive directors as mentioned herein point no (VI) of the Form MGT-9, is only the fixed components and there is no variable components which may based on the performance criteria.
- (iii) All executive directors abide by the terms and conditions as decided at the time of their appointment and reappointment.
- (iv) No Stock option is given to any Directors of the Company.
- (v) No Pecuniary relationship/ transactions with the Non-executive directors vis-a-vis the Company except for the payment of sitting fees to attend the Board and the Committee Meetings.
- (vi) The criteria for making payments to executives are broadly explained by the Company in their Remuneration Policy. Web Link of the same is
<http://uttamgalva.com/investors/pdf/policies/Remuneration%20Policy%20UGSL.pdf>



6. APPOINTMENT & RE-APPOINTMENT OF DIRECTORS:

During the Year, Shri S T Parikh and Shri D L Rawal – Independent Directors of the Company passed away on 30th July, 2015 and 28th January, 2016, respectively. Your Directors wish to express their gratitude and sincere appreciation to Shri S T Parikh and Shri D L Rawal for their immense & invaluable contribution to the Company during their tenure as Directors.

During the year, Shri R K Dubey and Shri B L Khurana were appointed as Additional Directors with effect from 30th October, 2015 and 27th May, 2016 respectively. Their appointment as Independent Directors on the Board are being proposed in this Annual General Meeting.

Shri Ankit Miglani resigned from the Board of the Company with effect from 21st April, 2016.

Shri Anuj R Miglani is being re-appointed as the Managing Director for a term of three years commencing from 10th November, 2015 to 9th November, 2018, subject to the approval of Members in this Annual General Meeting.

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association of the Company, Shri Rajinder Miglani retires by rotation and being eligible has offered himself for re-appointment.

Brief profile of the Directors being appointed/re-appointed are as follows:

| Name of Directors | Brief Resume | Nature of expertise and share holdings | The details of the Directorships / Committee Memberships/ Chairmanship in other Companies |
|-----------------------|--|---|---|
| Shri Rajinder Miglani | He is an Industrialist and joined the Board as the Promoter Director since the inception of the Company. He is a graduate and having more than 49 years of experience in the Steel Industry. | Industrialist 13,91,855 Equity Shares | <ul style="list-style-type: none"> ○ Uttam Value Steels Limited ○ Uttam Galva Metallics Limited ○ Uttam Galva Ferrous Limited ○ Mig Oil & Gas Limited ○ Real ID Limited ○ Vibrant Realty & Infrastructure Limited ○ Paritosa Properties Private Limited ○ Revive Buildzone and Dealers Private Limited ○ Heli Properties Private Limited ○ M. Visvesvaraya Industrial Research and Development Centre. <p>Name of the Company Committee / Positions</p> <ul style="list-style-type: none"> ○ Uttam Value Steels Limited Stakeholder Relationship Committee (Chairman) |
| Shri Anuj R Miglani | He is Graduate in Mechanical Engineering from the Imperial College of Science & Technology, London. He is managing the overall operations of the Company under the superintendence and control of the Board of Directors. He joined the board in November, 2001. | Industrialist 13,02,094 Equity Shares | <ul style="list-style-type: none"> ○ Uttam Galva Metallics Limited ○ Uttam Utkal Steels Limited ○ Kredence Multi Trading Limited ○ Metallurgical Engineering and Equipments Limited ○ Spiral Pack (India) Ltd. ○ Real ID Limited ○ Revive Buildzone and Dealers Private Limited |

Uttam Galva Steels Limited

| | | | |
|------------------|---|------------------------|--|
| | | | <ul style="list-style-type: none"> ○ Shreenathji Biotechnology Park Infrastructure Private Limited (Formerly known as Uttam Biotechnology Park Infrastructure Private Limited) ○ MKR Associates Pvt. Ltd. (Formerly Known as Tojo Associates Pvt. Ltd.) ○ Swilken India Private Limited ○ Karishma Trading Co. Private Limited. <p>Name of the Company Committee / Positions</p> <ul style="list-style-type: none"> ○ Kredence Multi Trading Ltd. Audit Committee (Member) |
| Shri R K Dubey | He is the retired Chairman & Managing Director of Canara Bank. He also held the position of Executive Director in Central Bank of India. He started his banking career with Punjab National Bank as a Management Trainee and rose to the level of General Manager during after working at different levels both in operations and administration across India. | Ex-Banker (Nil Shares) | <ul style="list-style-type: none"> ○ DHFL Pramerica Asset Managers Private Limited ○ Brickwork Risk & Investment Management Solutions Private Limited <p>Name of the Company Committee / Positions</p> <p>Nil</p> |
| Shri B L Khurana | He is the retired Chairman of Lakshmi Commercial Bank, the biggest non-nationalized bank in the country. He is holding Bachelor Degree of Arts and C.A.I.I.B and having experience of more than 72 years in Banking Industries. He also worked as an Executive Director with the public sector bank namely New Bank of India and was elevated as Chairman and Managing Director | Ex-Banker (Nil Shares) | <ul style="list-style-type: none"> ○ Hindustan Tin Works Limited ○ RLF Limited ○ Uttam Value Steels Limited ○ Uttam Galva Metallica Limited ○ Madhouze Hospitality Private Limited ○ Usha Leasing Private Limited <p>Name of the Company Committee / Positions</p> <ul style="list-style-type: none"> ○ Uttam Value Steels Limited Audit Committee (Member) ○ Uttam Galva Metallica Limited Audit Committee (Member) |

7. MANAGEMENT DISCUSSION AND ANALYSIS:

This Directors' report has a detailed section on Management Discussion and Analysis.

8. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In terms of section 178 of the Companies Act, 2013 and as per the provisions of the Regulation 20 of the Listing Regulations, the Company has duly constituted Stakeholders Relationship Committee. This Committee performs as per the role suggested in Part D of the Schedule II of the Listing Regulations, *inter-alia* includes the satisfactory redressal mechanism for investors' complaints and quality of services to the investor.

(a) Composition of the Committee:

Smt. Swarna Prabha Sukumar is a Non- Executive, Independent Chairman of the said Committee. Shri Anuj R Miglani and Shri G S Sawhney are the members of the Committee as on 31.03.2016.



Details of meetings attended by the Directors during the year under review are as follows.

| Sr. No. | Name of Directors | No. of Meetings attended |
|---------|--|--------------------------|
| 1 | Smt. Swarna Prabha Sukumar (from 12.02.2016) | Nil |
| 2 | Shri S T Parikh (up to 30.07.2015) | Nil |
| 3 | Shri Rajinder Miglani (up to 30.10.2015) | 1 |
| 4 | Shri D L Rawal (30.10.2015 to 28.01.2016) | Nil |
| 5 | Shri G S Sawhney (from 30.10.2015) | 1 |
| 6 | Shri Anuj R Miglani | 2 |

(b) Meetings

During the Financial Year 2015-16, the Committee met two times on the following dates:

- 1) 31.07.2015 2) 12.02.2016

Shri R Agrawal- President & Company Secretary is the Compliance Officer.

(c) Status of the Complaints:

| | |
|--|-----|
| Number of Shareholders Complaints received during the Financial Year 2015-16 | 4 |
| Number of complaints not solved to the satisfaction of the shareholders | Nil |
| Number of pending Complaints | Nil |

9. EQUITY SHARES IN THE DEMAT SUSPENSE ACCOUNT:

In terms of Schedule V(F) of the Listing Regulations, the Company reports that there are no Equity Shares lying in the Demat Suspense Account.

10. GENERAL BODY MEETINGS:

(a) The details of the Annual General Meeting held in last three years are as under:

| Year | Day and Date | Time | Location | Number of Special Resolution passed |
|---------|--|------------|---|-------------------------------------|
| 2012-13 | 28 th AGM held on Saturday, the 17 th August, 2013 | 11.00 a.m. | M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001. | 1 |
| 2013-14 | 29 th AGM held on Saturday, the 23 rd August, 2014 | | | 1 |
| 2014-15 | 30 th AGM held on Saturday, the 29 th August, 2015 | | | 2 |

(b) During the last year the Company has not passed any Special/ Ordinary Resolution through Postal ballot process.

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.

11. MEANS OF COMMUNICATION:

(a) 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 through the mode specified by the respective Stock Exchanges

(b) News papers 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.

(c) Website:

The Company's website (www.uttamgalva.com) contains section called 'Financial' and 'Investors' which give information on Audited and Un-Audited financial results, Annual Report(s) and various policies applicable to the Company.

Uttam Galva Steels Limited

(d) Official News Releases:

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

(e) Presentations:

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

12. GENERAL SHAREHOLDERS' INFORMATION

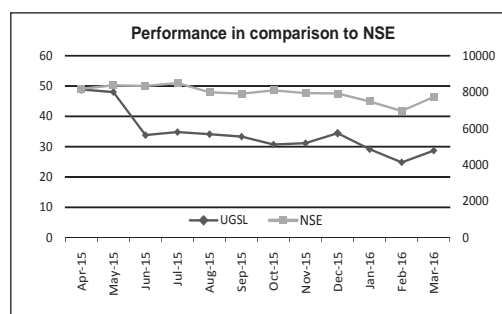
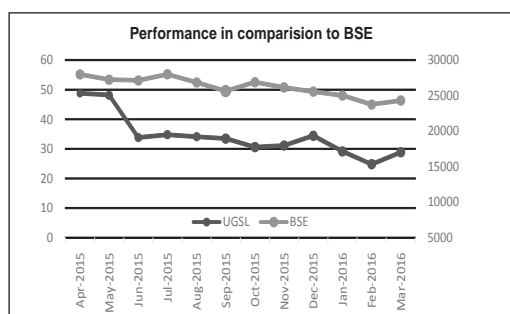
| | | | |
|-------|---|---|--|
| i. | Annual General Meeting (Date, Time and Venue) | 30 th August, 2016, at 11.00 a.m. at M. C. Ghia Hall, 18/20. K Dubhash Marg, Mumbai - 400 001. | |
| ii. | Financial Year | 1 st April, 2015 to 31 st March, 2016 | |
| iii. | Date of Book Closure | From 24 th August, 2016 to 30 th August, 2016 (both days inclusive) | |
| iv. | Dividend Payment Date | Not Applicable | |
| v. | Listing on Stock Exchanges and Stock Code | BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 513216 | National Stock Exchange of India Ltd (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051. Scrip Code: UTTAMSTL |
| vi. | Payment of Annual Listing Fee to Stock Exchange | The Company has paid the listing fees of both the Stock Exchanges within the prescribed time. | |
| vii. | Registrar and Share Transfer Agent | Universal Capital Securities Private Limited 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tele No.: 28207203/05 E-mail: info@unisec.in | |
| viii. | Share Transfer System | Request sent for share transfer in physical form are registered and the Certificates have been duly issued by our Registrars and Share Transfer Agent within the period of 15 days of receipt of the documents, provided documents received are found in order. Shares under objections are returned to the persons who have lodged it. | |
| ix. | Dematerialization of Shares and Liquidity | Nearly 98.96% of total Equity Share Capital is held in dematerialized form with National Securities Depository Limited/ Central Depository Services (India) Limited. | |
| x. | Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity | Nil | |
| xi. | Commodity Price risk or Foreign exchange risk and hedging activities | The Company has internal risk management procedures according to which all Commodity Price risks and Foreign exchange risks are hedged. | |
| xii. | Plant Locations | Khopoli - Pen Road, Donvat, Dist.-Raigad, Maharashtra | Khopoli - Pali Road, Dahivali, Dist.-Raigad Maharashtra |
| xiii. | Address for correspondence | Registered office : Uttam House, 69, P. D'Mello Road, Mumbai-400009. Email : shares@uttamgalva.com Website : www.uttamgalva.com | |



xiii. Market Price Data: High & Low of each month during the financial year 2015-16:

| Month | Quotation at BSE Ltd. | | Quotation at National Stock Exchange of India Ltd. | |
|-----------------|-----------------------|-------|--|-------|
| | HIGH | LOW | HIGH | LOW |
| April, 2015 | 49.40 | 48.15 | 49.70 | 48.05 |
| May, 2015 | 48.70 | 47.70 | 49.00 | 47.05 |
| June, 2015 | 34.30 | 33.40 | 34.50 | 33.15 |
| July, 2015 | 35.50 | 34.10 | 35.65 | 34.00 |
| August, 2015 | 34.70 | 33.50 | 34.65 | 33.60 |
| September, 2015 | 34.00 | 33.00 | 33.85 | 32.80 |
| October, 2015 | 31.70 | 29.50 | 31.75 | 29.65 |
| November, 2015 | 31.50 | 30.80 | 31.55 | 30.80 |
| December, 2015 | 34.80 | 34.10 | 34.85 | 34.05 |
| January, 2016 | 29.50 | 28.85 | 29.60 | 28.75 |
| February, 2016 | 25.20 | 24.45 | 25.25 | 24.45 |
| March, 2016 | 29.30 | 28.40 | 29.20 | 28.25 |

xiv. Performance in comparison to BSE and NSE indices.



xv. Distribution of Shareholding:

The Shareholding distribution of Equity Shares as on 31st March, 2016 is given here below:

| Sr. No. | Nominal value of shares | No. of Shareholders | No. of Shares | Percentage of Shareholding |
|--------------|-------------------------|---------------------|---------------------|----------------------------|
| 1 | Upto 5,000 | 27,513 | 44,32,209 | 3.11 |
| 2 | 5,001 – 10,000 | 2,604 | 21,71,417 | 1.52 |
| 3 | 10,001 – 20,000 | 1,133 | 17,94,738 | 1.26 |
| 4 | 20,001 – 30,000 | 325 | 8,48,053 | 0.60 |
| 5 | 30,001 – 40,000 | 165 | 5,94,206 | 0.42 |
| 6 | 40,001 – 50,000 | 138 | 6,53,132 | 0.46 |
| 7 | 50,001 – 1,00,000 | 205 | 15,32,049 | 1.08 |
| 8 | 1,00,001 ABOVE | 190 | 13,02,34,299 | 91.55 |
| TOTAL | | 32,273 | 14,22,60,103 | 100.00 |

Uttam Galva Steels Limited

13. OTHER DISCLOSURES:

(a) **Disclosure on Materially Significant 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. The Company has formulated the Policy on Materiality of Related Party Transactions to decide the materiality for the related party transaction and to deal with related party transaction. The said Policy has been posted on the website of the Company. Web link is

http://uttamgalva.com/investors/pdf/policies/Policy_materiality_related_party_transaction.pdf.

(b) **Policy for Determining Material Subsidiaries:**

In terms of Regulation of the Listing Regulations, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: <http://www.uttamgalva.com/investors/pdf/policies/Policy%20for%20Determining%20Material%20Subsidiaries.pdf>

(c) **Details of Compliances:**

The Company has complied with all the requirements of the Listing Regulations and other regulations as and when specified by SEBI and/ or any other statutory authorities. 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.

(d) **Whistle Blower & Vigil Mechanism:**

The Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes ethical behavior in all its business activities. The Whistle Blower Policy and Vigil Mechanism has been laid down by the Company in view to provide a mechanism for the Directors and employees of the Company to approach the person authorized by the Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct. Each and every employee has access to the Audit Committee. It is confirmed that no personnel has been denied access to the Audit Committee.

(e) **Disclosure of Commodity Price Risks and Commodity hedging activities:**

During the year under review, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in 'Annexure IV' of the Directors' report.

(f) **Other voluntary disclosures:**

- The Chairman of the Board as a Non-executive Chairman and his position is separate from that of the Managing Director and CEO of the Company.
- During the year under review there is no audit qualification on the Company's financial statements.
- The Internal Auditor reports to the Audit Committee of the Company.
- India Ratings and Research (IndRa) has downgraded Uttam Galva Steels Limited's (UGSL) Long Term Issuer Rating to 'IND D' from 'IND BBB+' while resolving the Rating Watch Negative (RWN). The agency has also downgraded the ratings on UGSL's various bank facilities to 'IND D' from 'IND BBB+' /RWN and 'IND A2' /RWN.

14. 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 of the Company is given below:



Declaration on Code of Conduct

I hereby declare that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Business Conduct & Ethics for Directors/ Senior Management Personnel in respect of the financial year 2015-16.

I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Regulation 46 of the Listing Regulations.

Anuj R Miglani
Managing Director

Place: Mumbai
Date : 27th May, 2016

15. CEO & CFO CERTIFICATION:

Shri Anuj R Miglani, Managing Director and Shri G. S. Sawhney, Director (Finance) & Group CFO of the Company have given Annual Compliance Certificate to the Board in terms of the Regulations 17(8) read with Part B of Schedule II of the Listing Regulations.

16. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:-

To,
The Members
UTTAM GALVA STEELS LIMITED

We have examined the compliance of regulations of Corporate Governance by **UTTAM GALVA STEELS LIMITED** for the year ended 31st March, 2016, as stipulated in regulations Part C of Schedule V of the Listing Regulations.

The compliance of regulations 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 the regulations 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 regulations of Corporate Governance as stipulated in the Listing Regulations.

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 Tadarwal & Tadarwal

Chartered Accountants

Firm Registration No. 111009W

Sd/-

Sunil Tadarwal

Partner.

Membership No. 031512

Place: Mumbai

Date : 27th May, 2016