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, 2011 your Company's Board comprises of 12 Directors with considerable experience in their respective fields. Of these 7 are Non-Executive Directors and out of these 6 are 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	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	12	—	—	—
2.	Shri Praveen Miglani (Resigned w.e.f. 30/05/2011)	Non-Executive	1	—	—	—
3.	Shri S. P. Talwar	Independent	10	—	8	4
4.	Shri P. G. Kakodkar	Independent	9	1	5	2
5.	Shri S. T. Parikh	Independent	—	—	—	—
6	Dr. N. S. Datar	Independent	4	—	3	—
7.	Smt. Lalita Sharma	Independent (Nominee of IDBI)	—	—	—	—
8.	Smt. Swarna Prabha Sukumar	Independent (Nominee of LIC)	—	—	—	—
9.	Shri Anuj Miglani	Managing Director	10	—	—	—
10.	Shri Ankit Miglani	Dy. Managing Director	15	—	—	—
11.	Shri A. K. Mahendru	Director (Sales & Marketing)	—	—	—	—
12.	Shri S. G. Tudekar	Director (Works)	—	—	—	—

ii. **Attendance of each Director at the Board Meeting during the Financial Year 2010-2011 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 Praveen Miglani (Resigned w.e.f. 30/05/2011)	4	Yes
3.	Shri S. P. Talwar	1	No
4.	Shri P. G. Kakodkar	3	No
5.	Shri S. T. Parikh	4	Yes
6.	Dr. N. S. Datar	4	Yes
7.	Smt. Lalita Sharma	2	No
8.	Smt. Swarna Prabha Sukumar	1	No
9.	Shri Anuj Miglani	3	Yes
10.	Shri Ankit Miglani	3	Yes
11.	Shri A. K. Mahendru	4	Yes
12.	Shri S. G. Tudekar	4	Yes

iii. **The Board of Directors during the Financial Year 2010-2011 had Four Meetings which are as follows :**

1) 29.05.2010 2) 28.07.2010 3) 30.10.2010 4) 29.01.2011

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 include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

ii. **Composition, Name of Members & Chairperson :**

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

All the Members of the Audit Committee are Non-Executive Independent Directors. They are financially literate and posses sound knowledge of accounts, audit, finance etc. Dr. N. S. Datar 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 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 2010- 2011 had the following meetings:-

1) 29.05.2010 2) 28.07.2010 3) 30.10.2010 4) 29.01.2011

iv. During the period 01.04.2010 to 31.03.2011, 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 the Directors	No. of Meetings Attended
1.	Dr. N. S. Datar	4
2.	Shri. P. G. Kakodkar	3
3.	Shri. S. T. Parikh	4

Dr. N. S. Datar, 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 Four Subsidiary Companies incorporated abroad.

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 rights and any compensation payments and also to approve payment of remuneration to Managing or Whole-Time Directors.

ii. Composition, Name of Members & Chairperson :

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

All the members of the Remuneration Committee are Non-Executive Independent Directors and Dr. N. S. Datar is the Chairman.

iii. Attendance during the Year :

During the period 01.04.2010 to 31.03.2011, the Remuneration Committee met once on 30th October, 2010 and the attendance of the members at the said meeting are detailed below: -

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

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 and Committee of Directors. Save and except the following, there are no pecuniary relationship or transactions of the Non-Executive Directors via-a-vis the Company.

Sr. No.	Name of Directors	Sitting fees (₹)	Equity Shares held in the Company
1.	Shri Praveen Miglani (Resigned w.e.f. 30/05/2011)	52,000	NIL
2.	Shri S. P. Talwar	10,000	NIL
3.	Shri P. G. Kakodkar	45,000	NIL
4.	Shri S. T. Parikh	74,000	53300
5.	Dr. N. S. Datar	62,000	3600
6.	Smt. Lalita Sharma	20,000	NIL
7.	Smt. Swarna Prabha Sukumar	10,000	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	1.12
2.	Shri Anuj Miglani	Managing Director	1.15
3.	Shri Ankit Miglani	Dy. Managing Director	1.15
4.	Shri A. K. Mahendru	Director (Sales & Marketing)	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, no Directors have been appointed on the Board of the Company. However Shri Praveen Miglani, Non Executive Director, has resigned from the Directorship of the Company *w.e.f.* 30th May, 2011 due to pre-occupation.

b. Re-appointment of Directors :

Shri S. P. Talwar, Shri A. K. Mahendru and Shri S. G. Tudekar, retire 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 S P Talwar	He is BA. LLB and Certified Associate of the Indian Institute of Bankers. He has an experience of more than 42 years in operational and policy formulation in Commercial & Central Banking. He has served as the 'Chairman & Managing Director' of renowned Banks such as Bank of Baroda, Union Bank of India and Oriental Bank of Commerce. He has also held the coveted position of deputy Governor of RBI from 1994 to 2001.	Banking and Finance	o Housing Development And Infrastructure Ltd. o Reliance Life Insurance Co. Ltd. o Reliance General Insurance Co. Ltd. o Crompton Greaves Ltd. o Videocon Industries Ltd. o Reliance Communication Ltd. o Reliance Infratel Ltd. o A B Hotels Limited o Kalpataru Power Transmission Ltd. o GTL Infrastructure Limited **Name of the Company** / **Committee / Positions** Reliance Life Insurance Co. Ltd. — Audit (Chairman) Reliance General Insurance Co. Ltd. — Audit (Member) Crompton Greaves Ltd. — Audit (Member) Videocon Industries Ltd. — Audit (Chairman) Reliance Communication Ltd. — Audit (Chairman) Reliance Communication Ltd. — Shareholders / Investor Grievance (Member) Housing Development And Infrastructure Ltd. — Audit (Chairman) Reliance Infratel Ltd. — Audit (Member)	Nil
Shri A K Mahendru	He is B.Tech, FIE & MIMA and joined the Company in 1995 and was elevated to as Executive Director of the Company *w.e.f.* 01-04-1999 and has been looking after the Marketing and Sales of the Company. He has over 45 years of experience in Steel Industry. He joined the Board on 28th October, 2005.	Sales & Marketing	Nil	Nil
Shri S G Tudekar	He is Graduate Engineer in "Metallurgy" from Pune University. He joined the Company in 1998 as President (Works-Donvat & PRC) and was elevated to as Executive Director *w.e.f.* 01-04-2000. He got experience of 51 years in Steel Industry. He joined the Board on 28th October, 2005.	Technical	Nil	Nil

6. SHAREHOLDERS' COMMITTEE

i. Name of Non-Executive Director Heading the Committee :

Shri Praveen Miglani, 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 Directors as its members: -

1. Shri Praveen Miglani
2. Shri S. T. Parikh

During the Financial Year 2010-2011, the Committee had two meetings *i.e.* on 30.10.2010 and 29.01.2011.

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 2010-2011, the Company have received 11 complaints.

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

Nil

v. Number of pending Complaints :

Nil

7. GENERAL BODY MEETINGS :

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

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

Year	Day, Date and Time	Location
2007-2008	23rd AGM held on Saturday, 26th July, 2008 at 11:00 a.m.	M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001.
2008-2009	24th AGM held on Saturday, 26th September, 2009 at 11:00 a.m.	M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001.
2009-2010	25th AGM held on Saturday, 18th September, 2010 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: - Total Six

Year	Special Resolution	Particulars
2007-2008	1) Alteration of Articles of Association of the Company.	Insertion of Article 9B Empowering the Board of Directors to Buy Back the Shares of the Company
	2) Alteration of Articles of Association of the Company.	Substitution of Article 17 in respect of Directors liable to retire by rotation.
2008-2009	1) Re-appointment of Shri S G Tudekar, Director (Works)	For a period of Three Years w.e.f. 28th 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 Nomiee Directors.
2009-2010	Alteration of Articles of Association of the Company.	Substitution of Article 3 in respect of Authorized Share Capital of the Company

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.

8. DISCLOSURES

i. 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.

ii. 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.

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

iv. It is confirmed that the mandatory requirements are complied with and the non-mandatory provisions are adopted wherever necessary.

9. 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

10. GENERAL SHAREHOLDERS' INFORMATION :

i. Annual General Meeting : Date, Time and Venue: 20th August, 2011, Saturday at 11.00 a.m. at M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001.

ii. Financial Year : 2010 – 2011

iii. **Date of Book Closure :** 16th August, 2011 to 20th August, 2011 (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).

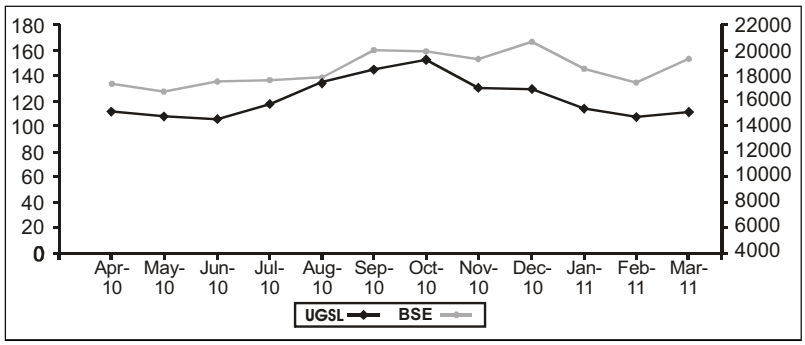
vi. **Stock Code :**

Name of the Stock Exchange *(Equity Shares)*	**Stock Code**
Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	513216
National Stock Exchange of India Ltd., Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051.	UTTAMSTL
Name of the Stock Exchange *(Debentures)*	**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 2010-2011 :

Month	**Quotation at Bombay Stock Exchange**		**Quotation at National Stock Exchange**	
	HIGH	**LOW**	**HIGH**	**LOW**
April 2010	118.50	111.50	118.30	105.30
May 2010	129.85	104.30	129.90	102.15
June 2010	113.40	104.15	113.30	103.50
July 2010	121.60	104.50	121.50	104.25
August 2010	141.50	117.55	141.25	117.20
September 2010	172.40	134.50	172.60	134.10
October 2010	166.50	144.10	166.85	143.35
November 2010	164.50	124.20	157.30	124.00
December 2010	136.40	115.00	136.80	115.15
January 2011	160.60	111.10	160.50	111.00
February 2011	126.75	98.30	127.40	98.40
March 2011	117.90	105.00	117.75	106.25

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.
Tele 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 Registrar 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, 2011 is given here below:

Sr. No.	Nominal Value of Shares (₹)	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	UPTO – 5,000	26761	3883315	3.176
2.	5,001 – 10 000	1774	1475991	1.207
3.	10,001 – 20 000	687	1071693	0.877
4.	20,001 – 30 000	210	545514	0.446
5.	30,001 – 40 000	109	399173	0.326
6.	40,001 – 50 000	88	416928	0.341
7.	50,001 – 1,00,000	138	1029170	0.842
8.	1,00,001 ABOVE	144	113438319	92.784
	TOTAL	**29911**	**122260103**	**100.00**

xii. Dematerialization of Shares and Liquidity :

Nearly 89.64% 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 Deputy Managing Director forms part of this Report.

xvii. Auditor's 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. Shareholding Pattern :

Pattern of equity shares as on 31st March, 2011 is given here below :

Category	No. of Shares Held	% of holding
A. PROMOTER'S HOLDING :		
1. Promoters		
– Indian Promoters	45244721	37.01
– Foreign Promoters	41327931	33.80
SUB-TOTAL (A)	**86572652**	**70.81**
B. NON-PROMOTERS HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	208539	0.17
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Govt. Inst.)	12080	0.01
c. FIIs	19013405	15.55
SUB-TOTAL (B) (1)	**19234024**	**15.73**
2. Others		
a. Bodies Corporate	2406143	1.97
b. Indian Public	9622246	7.87
c. NRIs/OCBs	4190932	3.43
d. Others	234106	0.19
SUB-TOTAL (B) (2)	**16453427**	**13.46**
GRAND TOTAL	**122260103**	**100.00**

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

DECLARATION

I, Ankit Miglani, Deputy 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

Place : Mumbai
Dated : 30th May, 2011

(Ankit Miglani)
Deputy Managing Director

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, 2011,** 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrars and Share Transfer Agents of the Company have maintained records to show the Investors' Grievances against the Company and have certified that as on March, 31st 2011, there were no investor grievances remaining unattended / pending for more than 30 days.

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

Place : Mumbai
Dated : 30th May, 2011

Prakkash R. Muni
Proprietor
Membership No. 30544