ANNEXURE – III
REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's Philosophy is that 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, high degree of disclosures, emphasis on product quality, adopting best business practices.

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:

Your Company maintains optimum combination of Executive and Non-Executive Independent Directors on its Board. As on 31st March, 2013 the Board consisted 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(s) (excluding Private Limited Companies and Section 25 Companies) and Committee Positions are as follows :-

Sr. No.	Name of Director	Executive/ Non-Executive/ Independent/ Nominee	No. of Other Directorship(s)	Chairman of the Board	Board Committees of which he/she is a Member	Chairman of the Committee
1.	Shri Rajinder Miglani	Executive Chairman	8	1	1	1
2.	Shri S P Talwar	Independent	10	-	9	2
3.	Shri P G Kakodkar	Independent	4	-	1	-
4.	Shri O P Gahrotra	Independent	3	-	2	1
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	9	-	-	-
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 2012-2013 and the last Annual General Meeting (AGM) :

Sr. No.	Name of the Director	Attendance at Board Meetings	Attendance at Last AGM
1	Shri Rajinder Miglani	5	Yes
2	Shri S. P. Talwar	5	No

Sr. No.	Name of the Director	Attendance at Board Meetings	Attendance at Last AGM
3	Shri O. P. Gahrotra	4	No
4	Shri P. G. Kakodkar	4	No
5	Shri S.T. Parikh	5	Yes
6	Smt. Swarna Prabha Sukumar	4	Yes
7	Shri Anuj R Miglani	5	Yes
8	Shri Ankit Miglani	5	Yes
9	Shri A. K. Mahendru	5	Yes
10	Shri S.G.Tudekar	5	Yes

iii. The Board of Directors of the Company met five times during the Financial Year 2012-2013 on following days:

1) 09.05.2012 2) 06.08.2012 3) 03.11.2012 4) 08.02.2013 5) 26.02.2013.

iv. Disclosure of relationships between Directors:

Shri Rajinder Miglani – Executive Chairman of the Company is the Father of Shri Anuj R Miglani – Managing Director and Shri Ankit Miglani –Dy. Managing Director of the Company. Except for the abovementioned Directors, none of the other Directors are related to each other in terms of relationships.

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

ii. Composition, Name of Members & Chairperson:

Audit Committee comprises of three Non-Executive Independent Directors who are financially literate and possess sound knowledge of accounts, audit, finance etc.

Composition of the Audit Committee of Directors (Audit Committee) and details of meetings attended by the Directors during the year under review

Sr. No.	Name of Director	No. of Meetings attended
1.	Shri S. T. Parikh - Chairman	4
2.	Shri P. G. Kakodkar	4
3.	Shri O. P. Gahrotra	3

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

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

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

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

iii. Meetings:

During the Financial Year 2012-2013, the Audit Committee met four times on following dates:-

1) 09.05.2012 2) 06.08.2012 3) 03.11.2012 4) 08.02.2013

4. 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 Director or Whole-Time Directors.

ii. Composition, Name of Members & Chairperson:

All the members of the Remuneration Committee are Non-Executive Independent Directors, Composition of the said Committee of Directors and details of meetings attended by the Directors during the year under review

Sr. No.	Name of Director	No. of Meetings attended
1.	Shri S. T. Parikh - Chairman	1
2.	Shri P. G. Kakodkar	1
3.	Smt. Swarna Prabha Sukumar	1

iii. Meeting:

During the Financial year ended 31st March, 2013, the Remuneration Committee met only once i.e. on 3rd November, 2012.

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. Details of the remuneration paid to the Directors are mentioned here below:

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 (in Rs.)	Equity Shares held in the Company
1.	Shri S. P. Talwar	1,00,000	NIL
2.	Shri P. G. Kakodkar	1,00,000	NIL
3.	Shri S. T. Parikh	1,52,000	53300
4.	Shri O. P. Gahrotra	95,000	NIL
5.	Smt. Swarna Prabha Sukumar	85,000	NIL

b. **Executive Directors:**

Sr. No.	Name of Directors	Position	All elements of remuneration i.e salary, benefits, allowances, bonus, contributions and perquisites. (Rs. in Crores)
1.	Shri Rajinder Miglani	Executive Chairman	1.09
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

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

Shri Rajinder Miglani was re-appointed as Executive Chairman of the Company for the period of 3 years commencing from 31st December, 2012 to 30th December, 2015.

Shri Anuj R Miglani was re-appointed as Managing Director of the Company for the period of 3 years commencing from 10th November, 2012 to 9th November, 2015.

In accordance with the requirements of the Act and the Articles of Association of the Company, Shri S P Talwar and Shri S T Parikh retire by rotation and being eligible have offered themselves for re-appointment. Brief profile of the Directors being appointed/ re-appointed are as follows:

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 since the inception of the Company. He is a Science graduate and has more than 47 years of experience in the Steel Industry.	Industrialist	o Shree Uttam Steel and Power Limited o Uttam Galva Metallics Limited o Uttam Value Steels Limited o Uttam Distribution Network Limited o Uttam Galva Ferous Limited o Vibrant Realty And Infrastructure Limited o Real ID Limited o Mig Oil & Gas Limited	1391855
Shri Anuj R Miglani	He has done Mechanical Engineering from the Imperial College of Science & Technology, London. He is managing the overall operations at the works and also playing significant role in overall management of the Company. He joined the Board in November, 2001.	Techno Commercial	o Shree Uttam Steel & Power Ltd. o Uttam Utkal Steels Limited o Uttam Galva Metallics Limited o Uttam Distribution Network Limited o Sindhudurg Iron & Steels Limited o Uttam Metallics and Steels Limited o Kredence Multi Trading Limited o First Wardha Steel Limited o Real ID Limited o Metallurgical Engineering and Equipments Limited	1302094

Shri S P Talwar	He is BA. LLB and Certified Associate of the Indian Institute of Bankers. He has an experience of more than 44 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 Motherson Sumo System 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 / Investor Grievances (Member) Housing Development and Infrastructure Ltd. Audit (Member) Reliance Infratel Ltd. Audit (Member) Motherson Sumo System Limited Audit (Member)	Nil
Shri S T Parikh	He is B.E. (Civil). He has professional experience of more than 54 years in the Steel Industry. He joined the Board in the year 1987.	Techno Commercial		53300

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

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

Composition of the Shareholders'/Investors' Grievance Committee and details of meetings attended by the Directors during the year under review.

Sr. No.	Name of Directors	No. of Meetings attended
1.	Shri S. T. Parikh - Chairman	2
2.	Shri A. K. Mahendru	2

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.

During the Financial Year 2012-2013, the Committee had two Meetings i.e. on 03.11.2012 and 26.02.2013.

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

ii. Status of the Complaints:

Number of Shareholders Complaints received during the Financial Year 2012-2013	**10**
Number of complaints not solved to the satisfaction of the shareholders	**Nil**
Number of pending Complaints	**Nil**

6. SUBSIDIARY COMPANIES

Your Company does not have any Indian Subsidiary Company. However, the Company has Six Foreign Subsidiary Companies incorporated abroad and one downstream Subsidiary Company.

7. EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Clause 5A(I) 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 were held: -

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

Year	Day, Date and Time	Location
2009-2010	25th AGM held on Saturday, the 18th September, 2010 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2010-2011	26th AGM held on Saturday, the 20th August, 2011 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2011-2012	27th AGM held on Saturday, the 21st July, 2012 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:-

Year	Special Resolution	Particulars
2009-2010	Alteration of Articles of Association of the Company.	Substitution of Article 3 in respect of Authorized Share Capital of the Company.
2010-2011	Nil	Nil
2011-2012	Re-appointment of Shri S G Tudekar, Director (works).	For a period of 3 years starting from 28th October, 2011.

iii. During the last year the Company has not passed any Special/ Ordinary Resolution through Postal Ballot: -

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 Accountants 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 a 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 frameworks 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 Financial Results (Audited or Un-audited) 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	:	17th August, 2013, at 11.00 a.m. at M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001
ii. Financial Year	**:**	1st April, 2012 to 31st March, 2013
iii. Date of Book Closure	**:**	From **13th August, 2013** to **17th August, 2013** (both days inclusive)
iv. Dividend Payment Date	**:**	Not Applicable

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

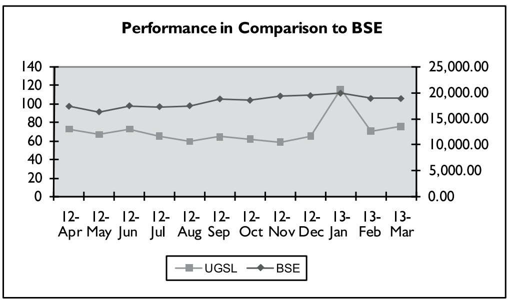
vi. **Stock Code:**

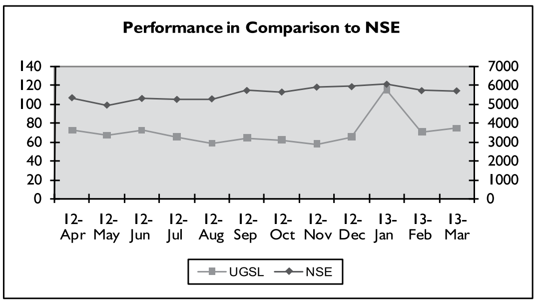
Name of the Stock Exchange (*Equity Shares*)	**Stock Code**
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513216
National Stock Exchange of India Limited Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	UTTAMSTL
Name of the Stock Exchange (*Debentures*)	**Stock Code**
BSE Limited, WDM segment, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	946633

vii. **Market Price Data: High, Low of each month during the Financial Year 2012-2013:**

Month	**Quotation at BSE Ltd.**		**Quotation at National Stock Exchange of India Ltd.**	
	HIGH	**LOW**	**HIGH**	**LOW**
April 2012	81.35	49.5	76	71.5
May 2012	85.4	68.2	67.5	66.2
June 2012	78.35	65	72.65	70.35
July 2012	82.05	66.15	65.8	63.5
August 2012	76	65	59.45	57.6
September 2012	75.95	62.5	65.7	63
October 2012	78.4	61.7	64.4	59.45
November 2012	72.8	57.35	59.65	56.65
December 2012	65.85	56.6	65.7	64.15
January 2013	69.6	59.1	125.5	113.25
February 2013	64.8	56.75	74.5	69.5
March 2013	72.05	57.9	76.25	72.45

viii. **Performance in comparison to BSE and NSE indices.**





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.: 022 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 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. 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, 2013 is given here below:

Sr. No.	Nominal Value of Shares (Rupees)	No. of Shareholders	No. of Shares	Percentage of Shareholding
1	UPTO - 5,000	24477	3549178	2.495
2	5,001 – 10,000	1617	1342812	0.944
3	10,001 – 20,000	655	1020444	0.717
4	20,001 – 30,000	182	472596	0.332
5	30,001 – 40,000	80	288228	0.203
6	40,001 – 50,000	65	306364	0.215
7	50,001 – 1,00,000	126	934526	0.657
8	1,00,001 ABOVE	121	134345955	94.437
	TOTAL	**27323**	**142260103**	**100.00**

xii. Dematerialization of Shares and Liquidity:

Nearly 84.81% 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:

Khopoli – Pen Road,
Donvat, Dist. – Raigad,
Maharashtra.

Khopoli – Pali Road,
Dahivali, Dist. – Raigad,
Maharashtra.

Taloja – 12, MIDC
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 of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct & Ethics for Directors / Management Personnel in respect of the financial year 2012-13.

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

Anuj R Miglani
Managing Director

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. CEO & CFO Certification:

Shri Anuj R Miglani, Managing Director and Shri G S Sawhney, Director (Finance) & Group CFO of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the board in terms of Clause 41 of the Listing Agreement.

xix Mandatory / Non- Mandatory Requirements:-

During the Financial Year ended 31st March, 2013, the Company has duly complied with all mandatory requirements and has also adopted certain non-mandatory requirements of Clause 49 of the Listing Agreement.

The Company has constituted Remuneration Committee (as mentioned herein point no. 4) to determine Company's policy of remuneration to its Executive Directors.

xx. Shareholding Pattern:

Pattern of equity shares as on 31st March, 2013 is given here below:

Sr. No.	Category	No. of Shares Held	% of holding
A.	**Promoter's Holding**		
1.	Promoters		
	- Indian Promoters	45266220	31.82
	- Foreign Promoters	41327931	29.05
2.	Persons acting in concert	0	0
	Sub-Total (A)	**86594151**	**60.87**
B.	**Non-Promoters Holding**		
1.	Institutional Investors		
	a. Mutual Funds and UTI	38705	0.03
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non Govt. Inst.)	144973	0.10
	c. FIIs	38865726	27.32
	Sub-Total (B) (1)	**39049404**	**27.45**
2.	Others		
	a. Bodies Corporate	2639977	1.86
	b. Indian Public	10020842	7.05
	c. NRIs/OCBs	3238984	2.28
	d. Others	716745	0.5
	Sub-Total (B) (2)	**16616548**	**11.68**
C.	Shares held by Custodians and against which Depository Receipts have been issued	**00**	**00**
	GRAND TOTAL	**142260103**	**100.00**

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, 2013, 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

Place: Mumbai
Date : 24th May, 2013

Prakkash R. Muni
Partner
Membership No. 30544