

REPORT ON CORPORATE GOVERNANCE

The philosophy of corporate governance is about commitment to values and ethical business practices. UNI ABEX ALLOY PRODUCTS LIMITED'S (UA) rich legacy of fair, ethical and transparent governance practices have been in vogue even before they were mandated. We lay great emphasis on professionalism, honesty, integrity and ethical behavior not only in our day to day operations within the organization but through a truly transparent and democratic style of management which extends all the way to our Board members and other stake holders.

As a responsible corporation, our deep seated values set the framework of accountability in all our business related affairs and processes. UA's business objective and that of its management and employees is to manufacture quality products and market them in such a way so as to create a lasting value that can be sustained over the long term.

The Company produces static, centrifugal castings and assemblies in heat and corrosion resistant alloys. Manufacturing quality alloy products is its prime focus. As a leader in alloy steel castings for decanters and reformer tubes, the Company has made a significant contribution to various industries in the last four decades.

The business principles in harmonization with the code of conduct and strict SOPs' laid and developed in line with the relevant regulations, underline the Company's strong commitment to follow a highly disciplined approach to its business model giving it a distinct corporate personality. The Company's Management places considerable emphasis on compliance aimed at providing good governance.

1. COMPANY STRUCTURE

The Company has a total strength of 143 permanent employees as on 31st March, 2012 comprising of

Managers-	22
Officers -	40
Staff -	19
Workers -	62

2. BOARD OF DIRECTORS:

In accordance with the law, the Board of Directors is the apex management body of the Company. The Board acts as the nerve centre of the organization. In addition to reviewing and approving specific corporate policies and actions as required by law (e.g., declaration of dividends and approval of accounts) it is actively involved in reviewing and guiding corporate strategy and major plans of action, monitoring implementation of plans and corporate performance, ensuring the integrity of the Company's accounting and financial reporting systems and over viewing compliance with all legislations applicable to the business.

2.1 COMPOSITION

The Board of Directors comprises of a Non-Executive Chairman Emeritus, Non-Executive Chairman, an Executive Director and 6 other Non-Executives Directors. Out of the 8 Non-Executive Directors, 5 are Independent Directors. The composition of the Board of Directors with reference to the number of Non-Executive / Independent Directors meets with the requirements of Clause 49 of the Listing Agreement.

Name of Director	Category	No. of other Directorships		No. of Outside Committees	
		Public	Private	Member	Chairman
Mr. D. M. Neterwala	Promoter Non-Executive Director Chairman Emeritus	8	6	3	1
Mr. F. D. Neterwala	Promoter Non-Executive Chairman	6	8	4	-
Mr. R. B. Mehta	Promoter Non-Executive	-	2	-	-
Mr. K. M. Elavia	Independent and Non-Executive	8	2	3	3

Name of Director	Category	No. of other Directorships		No. of Outside Committees	
		Public	Private	Member	Chairman
Mr. H. R. Prasad	Independent and Non-Executive	3	-	-	3
Mr. P. Subrahmanyam	Independent and Non-Executive	3	-	1	-
Mr. M. P. Bharucha	Independent and Non-Executive	2	1	-	-
Mr. M. K. Fondekar*	Executive Director	3	-	-	-
Mr. F. K. Banatwalla#	Independent and Non-Executive	2	8	-	1

* Mr. M. K. Fondekar was reappointed as Executive Director of the Company on 01.07.2011 for a period of 2 years which was approved by the Members of the Company at the Annual General Meeting held on 25th August, 2011.

Mr. F. K. Banatwalla was appointed as an Additional Director of the Company on 29th May, 2012.

None of the Directors of the Board is a member of more than ten Committees and Chairman of more than five Committees as per Clause 49(IV)(B) of the Listing Agreement, across all Companies in which he is a Director.

2.2 MEETINGS

During the period from 1st April, 2011 to 31st March, 2012, Six Board Meetings were held as under:

- 3rd May, 2011
- 28th June, 2011
- 10th August, 2011
- 25th August, 2011
- 11th November, 2011
- 14th February, 2012

Attendance of Directors at Board Meetings and at the 38th Annual General Meeting held on 25th August, 2011 and details of Sitting fees and Commission paid to the Directors for the period under review are as follows:

Name of Director	No of Board Meetings		Sitting fees paid	Attendance at the last AGM	Commission Paid
	Held	Attended	Rs.		Rs.
Mr. D. M. Neterwala	6	5	25000	No	83,499
Mr. F. D. Neterwala	6	5	25000	No	1,59,856
Mr. R. B. Mehta	6	6	30000	Yes	85,437
Mr. K. M. Elavia	6	5	25000	Yes	59,856
Mr. H. R. Prasad	6	3	15000	Yes	50,709
Mr. P. Subrahmanyam *	6	0	NIL	No	NIL
Mr. M. P. Bharucha	6	4	20000	Yes	31,561
Mr. M. K. Fondekar\$	6	6	NIL	Yes	NIL
Mr. F. K. Banatwalla#	-	-	-	-	NIL

. F. K. Banatwalla was appointed as an Additional Director on 29th May, 2012.

\$ Mr. M. K. Fondekar is not entitled to Commission and Sitting Fees being an Executive Director.

* Mr. P. Subrahmanyam has been entrusted with Government duty and hence under the relevant guidelines cannot attend to any other business.

2.3 BOARD PROCEDURE

The meetings of the Board of Directors are scheduled well in advance in terms of the Annual Calendar and are generally held at the Registered Office of the Company. The Company Secretary prepares a detailed agenda for each meeting. The Board papers comprising the agenda along with the draft of relevant resolutions,

documents and explanatory notes, wherever required are sent at least a week in advance to all the Directors. This enables the Board to discharge its responsibilities effectively and take well deliberated and informed decisions. The draft minutes of the Board and Audit Committee Meetings confirmed by the Chairman of the Board / Chairman of Audit Committee are circulated to all the Directors. The information generally provided to the Board for its consideration and approvals include:

- Minutes of the preceding meetings of Board and Audit Committees;
- Confirmation of Circular Resolution etc.
- Quarterly, half yearly and annual financial results of the Company and its business segments;
- Annual budget and performance targets;
- Appointment of statutory, cost and internal auditors;
- Appointment of key management personnel;
- Issues relating to shareholders – such as issue of duplicate share certificates, etc.;
- Materially important show cause, demand, prosecution and penalty notices
- Review of foreign exchange exposures and exchange rate movement, if material;
- Contracts in which Director(s) are interested or deemed to be interested;
- Defaults in payment of statutory dues, if any;
- Matters requiring statutory/Board approvals;
- Status on compliance of any regulatory or statutory nature or listing requirement;
- Issue/revocation of Power of Attorney;
- General disclosure of interest.
- Compliance of various laws and Accounting Standards;
- Any remarks/ observances/ findings made by the Statutory and Internal Auditors of the Company;
- Development in respect of human resources;
- Making of loans and investment of surplus funds;
- Status of business risk exposures, its management and related action;
- Execution of bank/stock/mortgage documents/authority for opening/operations of bank accounts.
- All policy related matters.

3. BOARD COMMITTEES

The Company follows procedures and practices in conformity with the code of Corporate Governance. In keeping with the spirit of the code, the Board has constituted the following committees:

I. Audit Committee:

The Audit Committee as at March 31, 2012 comprised of:

Name of Director	Category
Mr. K. M. Elavia	Chairman & Independent Director
Mr. F. D. Neterwala	Promoter – Non Executive Director
Mr. H. R. Prasad	Independent Director
Mr. P. Subrahmanyam*	Independent Director

Mr. Parag M. Lakhani, Vice President Legal & Company Secretary is the Secretary of the Audit Committee.

Mr. Milind Ashar, Deputy Company Secretary is the Compliance Officer of the Company.

The terms of reference of this Committee cover the matters under clause 49 of the Listing Agreement.

5 Meetings of the Audit Committee were held during the year.

The details of meetings held during the year 2011-2012 and the attendance thereat are as follows:

- 3rd May, 2011
- 28th June, 2011
- 10th August, 2011
- 11th November, 2011
- 11th February, 2012

Attendance at the Meetings

Name of Director	No of Audit Committee Meetings		Total Sitting fees paid
	Held	Attended	₹
Mr. K.M. Elavia	5	5	5000
Mr. F. D. Neterwala	5	5	5000
Mr. H. R. Prasad	5	4	4000
Mr. P. Subrahmanyam*	5	1	NIL

* Mr. P. Subrahmanyam has been entrusted with Government duty and hence under the relevant guidelines cannot attend to any other business.

Sitting Fees:

The Company paid to the Directors Rs.5000/- as sitting fees for attending each meeting of the Board and Rs.1000/- for attending each meeting of the Audit Committee.

II. Remuneration Committee:

A Committee of Directors comprising of Mr. K. M. Elavia, Mr. R. B. Mehta and Mr. P. Subrahmanyam has been formed as Compensation / Remuneration Committee for the purpose of recommending of the Executive Director, Senior Executives' remuneration / revision / merit increment and related matters. No sitting fees are payable for the meetings of this Committee.

III. Shareholders' Investors' Grievance Committee:

The composition of the Shareholders' / Investors' Grievance Committee as at March 31, 2012 is as under:

Name of the Director	Category
Mr. D. M. Neterwala	Non-Executive Director
Mr. F. D. Neterwala	Non-Executive Director
Mr. R. B. Mehta	Non-Executive Director

The Committee meets as often as necessary. No sitting fees are payable for the meetings of this committee. In accordance with the authority granted by the Board/Share Transfer Committee, Mr. Milind Ashar, Deputy Company Secretary & Compliance Officer (Secretary to the Committee) deals with the following matters concerning shareholders, once in a fortnight:

- Transfer/Transmission of physical shares
- Split/Sub-division, consolidation & duplicate share certificates of physical shares as approved by the Board.
- Rematerialisation of Shares.

M/s. Computech Sharecap Ltd., the Registrar and Share Transfer Agents, deal with all matters related to shares (whether physical or in demat form) and dividends.

The communications received from the Shareholders are generally pertaining to change of address, non-receipt of dividend warrants, annual reports, bank mandates, revalidation of dividend warrant/consolidation/split/remat/transmission of shares etc.

These have been addressed and redressed to the satisfaction of the Shareholders by Registrar & Share Transfer Agents. There was neither unattended nor pending investor grievance as on 31st March, 2012. The Board has consented to the understanding that complaints of non-receipt of Dividend and Annual Reports are not be treated as complaints under Clause 49 (G)(iii), as the Company's liability is discharged when the relevant articles are posted at the last known address of the investor. However in the above cases the letters received from the investors are being serviced promptly in addition to the responsibility under clause 49 of the Listing Agreement, as an investor friendly measure beyond the legal obligations.

The Company has engaged the services of a practicing Company Secretary to independently verify and audit the share transfer records and register of members every quarter at the office of the Registrar & Share Transfer Agents. No materially significant non-compliance from established procedures is reported by them.

4. DETAILS OF ANNUAL GENERAL MEETINGS

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2008-2009	17.8.2009	3.00 P.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K.Dubash Marg, Mumbai-400 023
2009-2010	26.7.2010	3.30 P.M.	- do -
2010-2011	25.8.2011	3.00 P.M.	- do -

No Ordinary or Special Resolution was passed through Postal Ballot.

For the Financial year 2011-2012 the Annual General Meeting of the Company will be held on Thursday, 23rd August, 2012 at 3.00 P. M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai-400 023.

5. DISCLOSURES

- a. The Company did not have any related party transaction which may have potential conflict with the interest of the Company at large. However, related party transactions have been disclosed under **Note No.35** to the accounts for the year under review.
- b. There were no instances of non-compliance and no penalties/strictures have been imposed/passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- c. During the financial year 2011-2012, there is **no audit qualification** in the Company's financial statements.

6. MEANS OF COMMUNICATION

- a. The quarterly, half yearly and full year results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement and are published in 'Free Press Journal' and 'Nav Shakti' newspapers.
- b. The financial results are displayed on the Company's Website viz: www.uniabex.com
- c. The Management Discussion and Analysis Report is attached with the Directors' Report in this 39th Annual Report of the Company posted to the Shareholders.

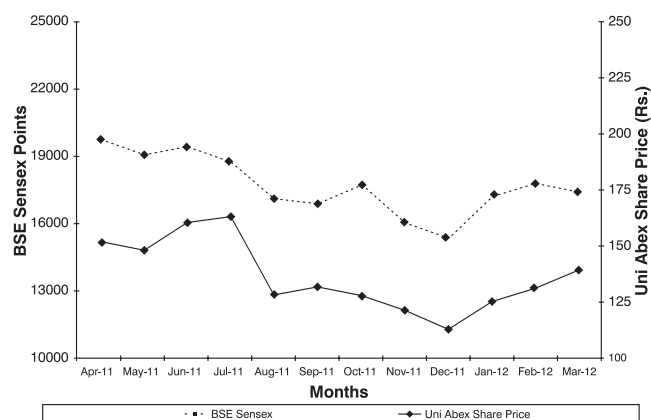
7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	
Date	Thursday, 23rd August, 2012
Time	3.00 P.M.
Venue	M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 023.

Financial Calendar	Financial Year April to March
First Quarter Results	By 14th of August, 2012 (With Limited Review)
Half Yearly Results	By 14th of November, 2012 (With Limited Review)
Third Quarter Results	By 14th of February, 2013 (With Limited Review)
Audited Results for the year ending 31st March, 2013	By 31st of May, 2013
Registrars & Transfer Agents	M/s. Computech Sharecap Ltd. 147, Mahatma Gandhi Road, 3rd Floor, Above Khyber Restaurant, Fort, Mumbai-400 023 Tel: 22635001/02 Email: helpdesk@computechsharecap.com
Dates of Book Closure	10th – 23rd August, 2012
Dividend Payout Date	10th September, 2012
Listing on Stock Exchanges	The Stock Exchange, Mumbai. The Delhi Stock Exchange Association Ltd.
Stock Code -	
Stock Exchange, Mumbai	504605
Stock Exchange, Delhi	21029
Demat ISIN Number for N.S.D.L. & C. D. S.L.	ISIN - INE361D01012

8. THE MONTHLY HIGH AND LOW QUOTATIONS OF SHARES TRADED ON THE STOCK EXCHANGE MUMBAI ARE AS FOLLOWS

Sr. No.	Month	High (Rs.)	Low (Rs.)
1	April, 2011	180.00	135.50
2	May, 2011	162.65	130.00
3	June, 2011	199.45	145.00
4	July, 2011	167.00	145.50
5	August, 2011	163.95	120.00
6	September, 2011	140.95	122.55
7	October, 2011	149.25	122.60
8	November, 2011	135.00	121.00
9	December, 2011	127.00	110.50
10	January, 2012	128.80	109.55
11	February, 2012	151.60	121.50
12	March, 2012	147.60	129.00

Comparison between Uni Abex Share Price on Closing Basis v/s BSE Sensex on Closing Basis for F.Y. 2011-2012


9. SHARE TRANSFER SYSTEM

Shares in physical forms are processed by the Registrars and Share Transfer Agents within 15-25 days from the date of its receipt. If the documents are complete in all respects they are forwarded to the Company for approval of the Shareholders' / Investors' Grievance Committee. The Committee approves the same within 15 days of receipt from the Registrars and returns to the Registrars for onward transmission to the concerned Shareholder.

87.58 % of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2012.

10. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2012

No of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1 – 500	7777	98.20	447166	22.64
501 – 1,000	83	1.05	66376	3.36
1,001 – 2,000	40	0.51	54961	2.78
2,001 – 3,000	6	0.07	15042	0.76
3,001 – 4,000	4	0.05	13873	0.70
4,001 – 5,000	2	0.03	9802	0.50
5,001 – 10,000	2	0.03	11380	0.58
10,001 and above	5	0.06	1356400	68.68
Total	7919	100.00	1975000	100.00

CATEGORY	No of Shares held	Percentage of shareholding
PROMOTERS' HOLDING		
1. Promoters		
- Indian Promoters	1253288	63.46 %
- Foreign Promoters	0	0.00 %
Sub-Total	1253288	63.46 %
NON-PROMOTERS' HOLDING		
2. Institutional Investors		
a. Mutual Funds & UTI	100	0.01 %
b. Banks, Financial Institution, Insurance Companies, Central, State Govt. Institution Non-Govt Institutions	506	0.03 %
c. Foreign Institutional Investors	0	0.00 %
Sub-Total	606	0.03 %
3. Others		
a. Private Corporate Bodies	136943	6.93%
b. Indian Public	579356	29.33%
c. NRIs/OCBs	4807	0.24%
d. Independent Directors & Relatives	-	-
e. Any Other	-	-
Sub-Total	721106	36.51 %
GRAND TOTAL	1975000	100.00 %

11. PLANT LOCATION: Mullabaugh, Swami Vivekanand Road, Manpada, Thane - 400 610

12. ADDRESS FOR CORRESPONDENCE:

Shareholders may correspond for all matters relating to the transfer / unpaid dividend/ duplicate share certificates / Procedure for dematerialisation of shares and any other query relating to shares of the Company with:

M/s. Computech Sharecap Ltd., 147, Mahatma Gandhi Road, 3rd Floor, Above Khyber Restaurant, Fort, Mumbai-400 023. Tel: 22635001 / 2 - Fax: 22635005 - E-mail: helpdesk@computechsharecap.com

DECLARATION

I, Mohan Krishna Fondekar, Executive Director of Uni Abex Alloy Products Ltd., hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct for the year ended March 31, 2012.

Thane
May 29, 2012

M. K. Fondekar
Executive Director
Uni Abex Alloy Products Ltd.

CEO / CFO CERTIFICATION

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March, 2012, the Company has complied with the requirements of the said sub clause.

For Uni Abex Alloy Products Ltd.

Thane
May 21, 2012

M.K. Fondekar
Executive Director

J.D. Divekar
General Manager Finance

AUDITORS REPORT ON CORPORATE GOVERNANCE To the Shareholders of Uni Abex Alloy Products Ltd.

We have examined the compliance of conditions of Corporate Governance by Uni Abex Alloy Products Ltd. for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions 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 conditions of the 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 conditions of Corporate Governance, as stipulated in 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 Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No 102860W

Mumbai, 29th May, 2012

S.B. Prabhu
Partner
Membership No.35296
