

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance refers to the blend of law, regulations and voluntary practices. It is the application of best management practices, compliance of law and adherence to ethical standards to achieve the organization goal of enhancing stakeholder value. Strong Corporate Governance is indispensable for safeguarding the interests of all the stakeholders. Corporate Governance is not a destination but a continuous journey for constantly upgrading its governance practices and systems to effectively meet the rapidly changing external business environment. It is rather a culture that involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders who serve as end customers of the corporate entity. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosures serve as the means for implementing the philosophy of Corporate Governance.

The philosophy of corporate governance process at UNI ABEX ALLOY PRODUCTS LIMITED (UA) is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place before they were mandated, by adopting highest standard of professionalism, honesty, integrity and ethical behaviour. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike the right balance with its various stakeholders.

UA's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy.

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, the company has made a significant contribution to various industries in the last three decades.

The business principles in harmonization with the code of conduct developed in line with the relevant regulations underline the Company's strong commitment to follow high ethical standards not only in realizing its mission of optimization of the performance of its customers' processes, time and time again, but also in the evolution of a distinct corporate personality to form the basis of relationships with all its stakeholders. The Company Management places considerable emphasis on compliance aimed at providing good governance.

The Company has established an efficient and transparent division of tasks and responsibilities, effective control instruments and an open information policy as a proof of its commitment, fairness and responsibility as a business partner.

At UA it is a kind of self-disciplinary code designed to secure the ultimate goal of making the Company a value driven organization.

### 1. COMPANY STRUCTURE

The Company has a total strength of 132 employees comprising of

Managers	-	19
Officers	-	33
Staff	-	23
Workers	-	57

### 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 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, monitor 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 5 other Non-Executives. Out of the 7 Non-Executive Directors, 4 members 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 Directorship		No. of Outside Committees	
		Public	Private	Member	Chairman
Mr. D. M. Neterwala	Promoter Non-Executive Chairman Emeritus-Director	11	5	3	1
Mr. F. D. Neterwala	Promoter Non-Executive Chairman	8	6	4	-
Mr. R. B. Mehta	Promoter and Non-Executive	-	2	-	-
Mr. K. M. Elavia	Independent and Non-Executive	10	2	4	3
Mr. H. R. Prasad	Independent and Non-Executive	4	-	2	3
Mr. P. Subrahmanyam	Independent and Non-Executive	3	1	1	-
Mr. E. B. Desai	Independent and Non-Executive	8	2	4	4
Mr. M. K. Fondekar	Executive Director	3	-	-	-

None of the Director of the Board is a member of more than ten Committees and Chairman of more than five Committees as per Clause 49(IV)(B) across all Companies in which they are Directors. Mr. M. K. Fondekar was appointed as an Executive Director of the Company on 01.07.2009.

## 2.2 MEETINGS

During the period from 1st April, 2009 to 31st March, 2010, 6 Board Meetings were held as under:

- 29th May, 2009
- 30th June, 2009
- 31st July, 2009
- 17th August, 2009
- 30th October, 2009
- 29th January, 2010

Attendance of each Director at Board Meetings and the 36th Annual General Meeting held on 17th August, 2009 and details of remuneration 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	3	15000	No	61072
Mr. F. D. Neterwala	6	5	25000	Yes	121776
Mr. R. B. Mehta	6	6	30000	Yes	64947
Mr. K. M. Elavia	6	5	25000	Yes	44282
Mr. H. R. Prasad	6	5	25000	Yes	40407
Mr. P. Subrahmanyam	6	5	25000	Yes	28783
Mr. E. B. Desai	6	6	30000	Yes	26200
Mr. M. K. Fondekar*	6	6	10000	Yes	NIL

\* He was appointed as the Executive Director with effect from 01-07-09 and there after no Sitting Fees were paid.

## 2.3 BOARD PROCEDURE

The meetings of the Board of Directors are scheduled well in advance and are held normally at the registered office of the Company. The Company Secretary prepares a detailed agenda for the 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 informed decisions. The draft minutes of the Board and Audit Committee Meetings confirmed by the Chairman of the Board / Chairman of Audit Committee is circulated to all the Directors. The information generally provided to the Board for its consideration and approvals include:

- Minutes of the meetings of Board and Audit Committees;
- Quarterly, half yearly and annual financial results of the Company and its business segments;
- Annual budget and performance targets;
- Appointment of statutory and internal auditor;
- Appointment of key management positions;
- 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 operation of bank accounts.

## 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, 2010 comprises 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

\* Appointed on 29th January, 2010.

Mr. L. V. Gandhi the Company Secretary is the Secretary of the Audit Committee. He is also the Compliance Officer of the Company.

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

The details of meetings held during the year 2009-2010 and the attendance thereat are as follows:

**6 Meetings of the Audit Committee were held during the year on:**

- 29th May, 2009
- 04th June, 2009
- 30th June, 2009
- 31st July, 2009
- 30th October, 2009
- 29th January, 2010

**Attendance at the Meetings**

Name of Director	No of Audit Committee Meetings		Total Sitting fees paid
	Held	Attended	Rs.
Mr. K.M. Elavia	6	5	5000
Mr. F. D. Neterwala	6	5	5000
Mr. H. R. Prasad	6	4	4000
Mr. P. Subrahmanyam*	6	1	1000

\* Appointed on 29th January, 2010.

**II. Remuneration Committee:**

A Committee of Directors comprising of Mr. K. M. Elavia, Mr. P. Subrahmanyam and Mr. R. B. Mehta has been formed as Compensation / Remuneration Committee for the purpose of recommending and rewarding appraisals of the Senior Executives remuneration / revision / merit increment for motivating and inducing the concerned executives to put in their best.

**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.

**III. Shareholders' / Investors' Grievances Committee:**

The composition of the Shareholders' / Investors' Grievance Committee as at March 31, 2010 is as under:

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

In accordance with the authority granted by the Board/Share Transfer Committee, Mr. L. V. Gandhi deals with the following matters concerning shareholders, once in a fortnight:

- Transfer/Transmission of physical shares
- Split/Sub-division, consolidation and 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.

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.

All of 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, 2010. 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 will be serviced promptly in addition to the responsibility under clause 49 of the Listing Agreement, as 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 him.

#### 4. DETAILS OF ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2006-2007	16.8.2007	3.00 P.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K.Dubash Marg, Mumbai-400 023
2007-2008	21.8.2008	3.00 P.M.	- do -
2008-2009	17.8.2009	3.00 P.M.	- do -

No Ordinary or Special Resolution was passed through Postal Ballot.

**For the Financial year 2009-2010 the Annual General Meeting of the Company will be held on 26th July, 2010 at 3.30 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. 14 of Schedule "O" 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 2009-2010, 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](http://www.uniabex.com)
- c. The Management Discussion and Analysis Report is attached with the Directors' Report in this 37th Annual Report of the Company posted to the shareholders.

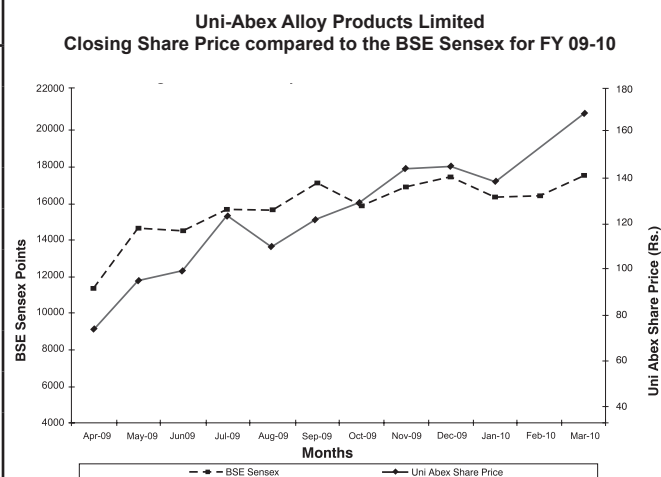
**7. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	
Date	26th July, 2010
Time	3.30 P.M.
Venue	M.C. Ghia Hall, 2 <sup>nd</sup> Floor Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 023.

<b>Financial Calendar</b>	<b>Financial Year April to March</b>
First Quarter Results	By 15th of August, 2010 (With Limited Review)
Half Yearly Results	By 15th of November, 2010 (With Limited Review)
Third Quarter Results	By 15th of February, 2011 (With Limited Review)
Unaudited/Audited Results for the year ending 31 <sup>st</sup> March, 2011	By 15th of May, 2011 ( With Limited Review) or By 31st of May, 2011
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: <a href="mailto:helpdesk@computechsharecap.com">helpdesk@computechsharecap.com</a>
Dates of Book Closure	16th July, 2010 - 26th July, 2010.
Listing on Stock Exchanges	The Bombay Stock Exchange, 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, 2009	83.10	58.50
2	May, 2009	95.40	69.10
3	June, 2009	109.70	87.00
4	July, 2009	144.95	97.05
5	August, 2009	124.00	106.00
6	September, 2009	129.75	105.00
7	October, 2009	158.70	105.00
8	November, 2009	169.00	100.00
9	December, 2009	155.00	125.10
10	January, 2010	160.00	127.05
11	February, 2010	158.00	134.10
12	March, 2010	169.00	135.00


**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 by any two Directors of the Company who are the members 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.

**23.07%** of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2010.

**10. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2010**

No of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1 – 500	7554	98.21	424650	21.50
501 – 1,000	77	1.00	62437	3.16
1,001 – 2,000	36	0.47	49581	2.51
2,001 – 3,000	5	0.07	12985	0.66
3,001 – 4,000	5	0.07	18540	0.94
4,001 – 5,000	3	0.04	13586	0.69
5,001 – 10,000	6	0.07	42307	2.14
10,001 and above	6	0.07	1350914	68.40
<b>Total</b>	<b>7692</b>	<b>100.00</b>	<b>1975000</b>	<b>100.00</b>

CATEGORY	No of Shares held	Percentage of shareholding
<b>PROMOTERS' HOLDING</b>		
1. Promoters		
- Indian Promoters	1256762	63.63 %
- Foreign Promoters	0	0.00 %
<b>Sub-Total</b>	<b>1256762</b>	<b>63.63 %</b>
<b>NON-PROMOTERS' HOLDING</b>		
2. Institutional Investors		
a. Mutual Funds & UTI	100	0.01 %
b. Banks, Financial Institution, Insurance Companies, Central, State Govt. Institution/Non- Government Institutions	551	0.03 %
c. Foreign Institutional Investors	0	0.00 %
<b>Sub-Total</b>	<b>651</b>	<b>0.04 %</b>
3. Others		
a. Private Corporate Bodies	107095	5.42 %
b. Indian Public	598678	30.32%
c. NRIs/OCBs	10303	0.52%
d. Independent Directors & Relatives	1270	0.06%
e. Present Employees	241	0.01%
f. Any Other	0	0.00%
<b>Sub-Total</b>	<b>717587</b>	<b>36.33 %</b>
<b>GRAND TOTAL</b>	<b>1975000</b>	<b>100.00 %</b>

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, 2010.

Thane  
May 28, 2010

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, 2010, the Company has complied with the requirements of the said sub clause.

For Uni Abex Alloy Products Ltd.

Thane  
May 28, 2010

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, 2010, 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, 28th May, 2010

S.B. Prabhu  
Partner  
Membership No.35296

---