

GUJARAT NARMADA VALLEY FERTILIZERS CO. LTD.
P.O.NARMADANAGAR : 392 015, DIST. BHARUCH

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Clause 49 of the Listing Agreement)

Name of the Company : GUJARAT NARMADA VALLEY FERTILIZERS CO. LTD.
 Quarter ending on : 31st December, 2011

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
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I. Board of Directors			
(A) Composition of Board	49 (IA)	Yes	The Board of Directors of the company comprises 10 Directors, of which, 9 Directors are Non-Executive Directors (NEDs), representing 90% of the total strength. The Chairman of the company is a NED and is nominated by Government of Gujarat, as one of the promoters of the company. All NEDs on the Board are Independent Directors (IDs). The composition of the Board is in conformity with this clause.
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	NEDs of the company are paid remuneration by way of Sitting Fees only for attending the meetings of the Board and / or Committees thereof. Sitting Fees paid to NEDs are within the limits prescribed under the Companies Act, 1956. Hence, no approval of shareholders is required. In case of Directors, who are from Indian Administrative Service, Sitting Fees payable to them for attending the meeting(s) is deposited with Government Treasury.
(C) Other provisions as to Board and Committees	49 (IC)	Yes	Six Board Meetings have been held during the current financial year. The gap between two meetings did not exceed 4 months. The minimum information as required under this clause has been made available to the Board of Directors. None of the Directors hold membership in more than 10 committees or acts as Chairman of more than 5 committees across all companies in which he is a Director. A Certificate confirming compliance with the laws applicable to the company is being placed at Board Meetings, periodically

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(D) Code of Conduct	49 (ID)	Yes	The company has adopted Code of Conduct, which are applicable to all its Directors and Senior Management Personnel. The said code has been posted on the company's website : www.gnfc.in
II. Audit Committee	49 II		Affirmation with compliance with the code of conduct for the financial year 2011-12 will be obtained from all the Directors and Senior Management Personnel and a declaration to this effect signed by CEO will be included in the Annual Report 2011-12.
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Audit Committee comprises 4 Directors / Members, of which, 3 Members are Independent Non-Executive Directors. All of them possess good knowledge of Finance, Accounts, and basic elements of the Company Law.
(B) Meeting of Audit Committee	49 (IIB)	Yes	The Chairman of the Audit Committee is an Independent Director. He attended the last Annual General Meeting held on 17 th September, 2011.
(C) Powers of Audit Committee	49 (IIC)	Yes	The Company Secretary acts as a Secretary to the Committee.
(D) Role of Audit Committee	49 (IID)	Yes	Four Audit Committee Meetings have been held during current financial year.
(E) Review of Information by Audit Committee	49 (IIE)	Yes	The gap between two meetings did not exceed 4 months.
III. Subsidiary Companies	49 III	NA	The terms of reference of the Audit Committee includes the matters referred to in Clauses 49 II (C). (D). (E) and Section 292A of the Companies Act, 1956.
IV. Disclosures	49 IV	NA	The company does not have any subsidiary company.
(A) Basis of related party transactions	49 (IVA)	Yes	Related Party Transactions are placed before the Audit Committee on quarterly basis.
(B) Disclosure of Accounting Treatment	49 (IVB)	NA	Appropriate disclosure is made in the financial statements, wherever necessary.
(C) Board Disclosures -- Risk Management	49 (IVC)	Yes	The company has in place a Risk Assessment and Risk Mitigation Mechanism. Risk Management Report is periodically reviewed by the Audit Committee / Board of Directors.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IVD)	NA	The company has not raised any money through issue of securities during the quarter.
(E) Remuneration of Directors	49 (IVE)	Yes	
(F) Management	49 (IVF)	Yes	Will be disclosed in the Annual Report for the financial year 2011-12.
(G) Shareholders	49 (IVG)	Yes	

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V. CEO / CFO Certification	49 V		Yes	The Certificate will be placed before the Board at the time of consideration and approval of Audited Annual Accounts of the company for the year 2011-12.
VI. Report on Corporate Governance	49 VI		Yes	The Report on Corporate Governance will form part of the Annual Report 2011-12.
VII. Compliance	49 VII		Yes	A Certificate confirming compliance with the conditions of Corporate Governance under Clause 49 will be annexed to the Directors' Report, which forms part of the Annual Report 2011-12.
				Disclosure as to the compliance of mandatory and adoption of non-mandatory requirements will be made in the Annual Report 2011-12.

Note :-

The Board of Directors has in its meeting held on 20.10.2011 approved Unaudited Financial Results for the quarter ended 30.9.2011. The said results have been posted on the Company's Website www.gnfc.in

For GUJARAT NARMADA VALLEY FERTILIZERS CO. LTD.


R B PANCHAL
COMPANY SECRETARY

Date : 12 JAN 2012

Place : Narmadanagar

