

**GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.
P.O.NARMADANAGAR : 392 015, DIST. BHARUCH, GUJARAT**

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

Name of the Company : GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.
Quarter ending on : 31st March, 2015

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
1	2	3	4
II. Board of Directors			
(A) Composition of Board	49 (IIA)	Yes	The Board of Directors of the company presently comprises total 11 (Eleven) Directors of which, 10 (Ten) Directors are Non-Executive Directors (NEDs), representing 91% of the total strength. Out of 10 (Ten) NEDs on the Board, 6 (Six) NEDs are Independent Directors (IDs) including 1 (One) Woman Director. Chairman of the company is NED and has been nominated by Government of Gujarat as one of the promoters of the company.
(B) Independent Directors	49 (IIB)	Yes	Composition of the Board is in conformity with this sub-clause. Clause 49(IIB)(1) : Independent Directors appointed meet with the criteria stipulated under this sub-clause. Clause 49(IIB)(2) : None of the IDs serve as a Director in more than 7 (Seven) listed Companies and none of the IDs is serving as whole-time-director in any listed company. Clause 49(IIB)(3) : Tenure of IDs has been fixed in accordance with the Companies Act, 2013. Clause 49(IIB)(4) : Formal letters of appointment have been issued to 2 (Two) IDs who were appointed at the last AGM held on 26th September, 2014. The terms & conditions of their appointment have been posted on the Company's website. Formal letters of appointment to other 4 (Four) IDs will be issued, when appointed at the ensuing AGM to be held in 2015. Clause 49(IIB)(5) : The details with regard to criteria for performance evaluation will be disclosed in Annual Report - 2014-15. Clause 49(IIB)(6) : A separate meeting of IDs was held on 26th March, 2015.



1	2	3	4
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	<p>Clause 49(IIB)(7) : IDs have been suitably familiarized as required under this sub-clause, the details thereof have been posted on the Company's website and web-link of the same will be provided in the Annual Report - 2014-15.</p> <p>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, 2013. Hence, approval of shareholders is not required.</p> <p>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.</p> <p>Five Board Meetings were held during the financial year 2014-15. The gap between two meetings did not exceed 120 days. The information as required under this sub-clause was made available to the Board of Directors.</p> <p>None of the Directors holds membership in more than 10 Committees or acts as Chairman of more than 5 Committees across all companies in which he/ she is a Director.</p> <p>The Board of Directors periodically reviews the Compliance Report of Laws applicable to the company.</p>
(D) Other provisions as to Board and Committees	49 (IID)	Yes	<p>The Company has revised Code of Conduct (CoC) incorporating suitably the duties of IDs therein applicable to all its Directors. The Company has also adopted CoC for Senior Management Personnel. The said Codes are posted on the company's website.</p> <p>A declaration as to affirmation of compliance with the Code of Conduct by Directors and Senior Management Personnel signed by CEO will be included in Annual Report - 2014-15.</p>
(E) Code of Conduct	49 (IIE)	Yes	<p>The company has established a Whistle Blower cum Vigil Mechanism Policy for Directors and Employees. The policy has been posted on the company's website and the details whereof will be disclosed in the Directors' Report forming part of Annual Report - 2014-15.</p>
(F) Whistle Blower Policy	49 (IIF)	Yes	<p>Audit Committee comprises 5 (Five) Members, of which, 3 (Three) Members are Independent Non-Executive Directors. All Members of the Committee are financially literate. Shri CS Mani is Chairman of the Committee, who is an Independent Director. One of the Members of Audit Committee remained present at the last AGM held on 26th September, 2014.</p> <p>Representatives of Internal Auditors and Statutory Auditors attend the Audit Committee Meeting by invitation. Chief Financial Officer also attends the Audit Committee Meeting.</p> <p>Company Secretary acts as a Secretary to the Committee.</p>
III. Audit Committee	49 (III)	Yes	
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	



1	2	3	4
(B) Meeting of Audit Committee	49 (IIIB)	Yes	Four Audit Committee Meetings were held during FY 2014-15. The gap between two meetings did not exceed four months. Requisite quorum was present at the said meetings.
(C) Powers of Audit Committee	49 (IIIC)	Yes	The terms of reference of Audit Committee include the matters referred to in this sub-clause and Section 177 of the Companies Act, 2013.
(D) Role of Audit Committee	49 (IIID)	Yes	The terms of reference of Audit Committee include the matters referred to in this sub-clause and Section 177 of the Companies Act, 2013.
(E) Review of information by Audit Committee	49 (IIIE)	Yes	Relevant information as referred to in this sub-clause is submitted to the Audit Committee for its review on an on-going basis.
IV. Nomination & Remuneration Committee	49 (IV)	Yes	Nomination & Remuneration Committee (NRC) comprises of 4 (Four) Members (NEDs), of which 3 (Three) Members are IDs. Chairman of the Committee is ID.
V. Subsidiary Companies	49 (V)	NA	The company does not have any subsidiary company.
VI. Risk Management	49 (VI)	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.
VII. Related Party Transactions	49 (VII)	Yes	A policy on Related Party Transactions (RPTs) has been formulated.
VIII. Disclosures	49 (VIII)		
(A) Related party transactions	49 (VIII A)	Yes	During this quarter, there was no material related party transaction which was required to be disclosed. A Policy for Related Party Transactions has been displayed on the company's website and a web link thereto will be provided in the Annual Report - 2014-15.
(B) Disclosure of Accounting Treatment	49 (VIII B)	NA	Financial Statements are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, from time to time.
(C) Remuneration of Directors	49 (VIII C)	Yes	Requisite details as required to be disclosed under this sub-clause will be disclosed / included in the Annual Report - 2014-15.
(D) Management	49 (VIII D)	Yes	Requisite details as required to be disclosed under this sub-clause will be disclosed / included in the Annual Report - 2014-15.
(E) Shareholders	49 (VIII E)	Yes	Requisite details as required to be disclosed under this sub-clause will be disclosed / included in the Annual Report - 2014-15.
(F) Proceeds from public issues, rights issues, preferential issues etc.	49 (VIII F)	NA	Quarterly Unaudited Financial Results / Audited Financial Results are displayed on company's website. The company has in place Stakeholders Relationship Committee. The Chairman of the Committee is NED. To expedite the process of share transfer, the Board has delegated power to the Company Secretary to approve share transfer / transmission, etc. The company has not raised any money through issue of securities during quarter.



1	2	3	4
IX. CEO / CFO Certification	49 (IX)	Yes	A Certificate as required under this sub-clause will be placed before the Board at the time of approval of Audited Annual Financial Statement of the company for FY 2014-15.
X. Report on Corporate Governance	49 (X)	Yes	Report on Corporate Governance will form a part of Annual Report - 2014-15. The company has been submitting the quarterly compliance report to BSE and NSE, in accordance with this sub-clause.
XI. Compliance	49 (XI)	Yes	A Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 will be annexed to the Directors' Report, forming part of the Annual Report - 2014-15. Disclosure as to the compliance of mandatory requirements and adoption of non-mandatory requirements will be made in the Annual Report - 2014-15.

For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.

Date : 14 APR 2015
Place : Narmadanagar



R.B. Panchal
R.B. PANCHAL
COMPANY SECRETARY

5