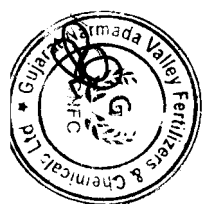


**GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.  
P.O.NARMADANAGAR : 392 015, DIST. BHARUCH, GUJARAT**

**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 : 30th September, 2014

Particulars	Clause of Listing Agreement	Compliance Status Yes / No	Remarks
1	2	3	4
I. Board of Directors	49 I		
(A) Composition of Board	49(IA)	Yes	The Board of Directors of the company presently comprises 9 Directors, of which, 8 Directors are the Non-Executive Directors (NEDs), representing 89% of the total strength.  Chairman of the company is a NED and has been nominated by Government of Gujarat as one of the promoters of the company. All NEDs on the Board are Independent Directors (IDs).
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	The composition of the Board is in conformity with this clause.  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.
(C) Other provisions as to Board and Committees	49 (IC)	Yes	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.  Three Board Meetings have been held so far during the financial year 2014-15 with a time gap of not more than four months between any two meetings. The information as required under this clause were made available to the Board of Directors.  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 is a Director.  The Board of Directors periodically reviews the Compliance Report of Laws applicable to the company.



1	2	3	4
(D) Code of Conduct	49 (ID)	Yes	The company has adopted Code of Conduct, which is applicable to all its Directors and Senior Management Personnel. The said code has been posted on the company's website : <a href="http://www.gntc.in">www.gntc.in</a>  Annual Report for the year 2013-14 contained a declaration as to affirmation of compliance with the Code of Conduct by Directors and Senior Management Personnel.
<b>II. Audit Committee</b>	49 II		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Presently, Audit Committee comprises 5 Directors / Members, of which 4 Members are Independent Non-Executive Directors. All the Members of Audit Committee are financially literate.  One of the Members of Audit Committee remained present at the last AGM held on 26.9.2014.  Representatives of Internal Auditors and Statutory Auditors attend the Audit Committee Meeting by invitation. Chief Financial Officer of the company attends the Audit Committee Meeting.  The Company Secretary acts as a Secretary to the Committee.
(B) Meeting of Audit Committee	49 (IIB)	Yes	Two Audit Committee Meetings have been held so far 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 (IIC)	Yes	The terms of reference of Audit Committee include the matters referred to in Clauses 49 II (C), (D) and Section 177 of the Companies Act, 2013.
(D) Role of Audit Committee	49 (IID)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	The relevant information as referred to in this sub-clause is submitted to the Audit Committee for its review on an on-going basis.
<b>III. Subsidiary Companies</b>	49 III	NA	The company does not have any subsidiary company.
<b>IV. Disclosures</b>	49 IV		
(A) Basis of related party transactions	49 (IVA)	Yes	Details of Related Party Transactions are placed before the Audit Committee on quarterly basis.
(B) Disclosure of Accounting Treatment	49 (IVB)	NA	Financial Statements are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, from time to time.



1	2	3	4
(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	Requisite details as required to be disclosed under these sub-clauses have been disclosed / included in the Annual Report 2013-14.
(F) Management	49 (IVF)	Yes	
(G) Shareholders	49 (IVG)	Yes	
V. CEO / CFO Certification	49 V	Yes	A Certificate as required under this clause shall be placed before the Board at the time of approval of Audited Annual Accounts of the company for the year 2014-15.
VI. Report on Corporate Governance	49 VI	Yes	The Report on Corporate Governance formed part of the Annual Report 2013-14. The company has been submitting the quarterly compliance report to BSE and NSE, in accordance with this sub-clause.
VII. Compliance	49 VII	Yes	A Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 has been annexed to the Directors' Report, forming part of the Annual Report 2013-14.
			Disclosure as to the compliance of mandatory requirements and adoption of non-mandatory requirements has been made in the Annual Report 2013-14.

**Notes :-**

1. The Board of Directors has in its meeting held on 28th July, 2014 approved Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2014. The said results have been posted on the Company's Website [www.gnfc.in](http://www.gnfc.in)
2. Annual General Meeting of the Shareholders of the Company was held on 26th September, 2014.

For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.



*R B Panchal*  
R B PANCHAL  
COMPANY SECRETARY

Date : 15<sup>th</sup> October, 2014  
Place : Narmadanagar