

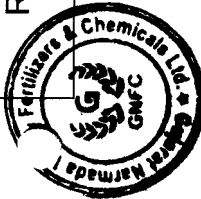
QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Clause 49 of the Listing Agreement)

Name of the Company : GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD  
Quarter ending on : 30th June, 2014

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
1	2	3	4
<b>I. Board of Directors</b>	49 I		
(A) Composition of Board	49(IA)	Yes	Presently, the Board of Directors of the company comprises 7 Directors, of which, 6 Directors are Non-Executive Directors (NEDs), representing 86% 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).  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. Hence, approval of shareholders is not 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	One Board Meeting was held during the period from 1 <sup>st</sup> April, 2014 to 30 <sup>th</sup> June, 2014. The information as required under this clause was 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.  Board of Directors periodically reviews the Compliance Report of Laws applicable to the company.



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(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.gnfc.in">www.gnfc.in</a>  A declaration as to affirmation of compliance of Code of Conduct by Directors and Senior Management Personnel signed by CEO will be included in the Annual Report 2013-14.
<b>II. Audit Committee</b>	49 II		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Audit Committee comprised of 3 Directors / Members, of which, 2 Members were Independent Non-Executive Directors. Out of 3 Members, Dr. Ashok Shah, who was the Chairman of this Committee, ceased to be the Director vide resignation effective 10/6/2014. Necessary actions have been initiated to bring the composition of Audit Committee in line with Clause 49 of the Listing Agreement.  All the Members of Audit Committee are financially literate.  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	One meeting was held during the period from 1/4/2014 to 30/6/2014. Requisite quorum was present at the said meeting.
(C) Powers of Audit Committee	49 (IIC)	Yes	The terms of reference of Audit Committee include the matters referred to in these sub-clauses.
(D) Role of Audit Committee	49 (IID)	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.
(E) Review of information by Audit Committee	49 (IIE)	Yes	The company does not have any subsidiary company.
<b>III. Subsidiary Companies</b>	49 III	NA	
<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.
(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.



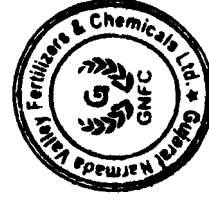
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(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IVD)	NA	The company has not raised any money through issue of securities during the quarter.
(E) Remuneration of Directors	49 (IVE)	Yes	Requisite details will be disclosed / 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 was placed before the Board at the time of consideration and approval of Audited Annual Accounts of the company for the year 2013-14.
VI. Report on Corporate Governance	49 VI	Yes	The Report on Corporate Governance will form 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 will be 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 will be made in the Annual Report 2013-14.

**Note :-**

\* The Board of Directors has in its meeting held on 15<sup>th</sup> May, 2014 approved Audited Financial Results for the year ended 31<sup>st</sup> March, 2014 as also the Financial Results for the quarter January 2014 ~ March, 2014. The said results have been posted on the Company's Website [www.gnfc.in](http://www.gnfc.in). The Board has also at the said meeting recommended payment of Dividend @ 3.50 per share of Rs.10/- each i.e. 35% for the financial year 2013-14.

Date : 12 JUL 2014

Place : Narmadanagar



*S. B. Panchal*  
R B PANCHAL  
COMPANY SECRETARY

For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD