

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Good Governance is an integral part of the Company's business practices and it envisages attainment of the highest level of accountability, transparency and equity in all facets of its operations and aims at maximizing the Shareholders' value, protecting and pursuing interest of all the Stakeholders and meeting societal expectations. Your Company is committed to the principles of good governance in letter and spirit.

Effective Corporate Governance practices constitute strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all the Stakeholders comprising Regulators, Employees, Customers, Vendors, Investors and the Society at large.

The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its Stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance.

BOARD OF DIRECTORS

Composition of the Board during FY 2019-20

Your Company is managed by a professional Board comprising Eight Directors, Seven are Non-Executive Directors. Four are Independent Directors, constituting half of the total strength of the Board. Managing Director is the only Executive Director on the Board.

Number of Board Meetings Held

During FY 2019-20, Four Meetings of the Board of Directors were held with a time-gap of not more than 120 days between any two Meetings. The dates on which the said meetings were held are: 29.05.2019, 13.08.2019, 05.11.2019 and 11.02.2020. Requisite quorum was present at all the Meetings.

None of the Directors on the Board hold Directorships in more than ten public limited companies. None of the Independent Directors serve as an Independent Director on the Board of Directors of more than seven listed entities. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other. None of the Directors has any material pecuniary relationship or transaction with the Company during the year. Further, None of the Directors has received any loans or advances from the Company during the year.

Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013 (the Act) along with the Rules made thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

There was no instance during the FY 2019-20 when the Board had not accepted any recommendation of any Committee of the Board.

Name of the Director	Category	Number of Board meetings attended during FY 2019-2020	Attendance at last AGM	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other Listed Companies (Category of Directorship)
				Chairman	Member	Chairman	Member	
Dr. J.N. Singh, IAS (Retd.) ¹ Chairman DIN 00955107.	Promoter, Non-Executive, Non-Independent	2 of 3	No.	-	-	-	-	-
Shri Anil Mukim, IAS ² Chairman DIN 02842064.	Promoter, Non-Executive, Non-Independent	1 of 1	N.A.	7	1	2	-	1. Gujarat Alkalies & Chemicals Ltd. Chairman, Non-Executive, Non-Independent. 2. Gujarat State Petronet Ltd. Chairman & Managing Director.
Smt. Mamta Verma, IAS DIN 01854315.	Non-Executive, Non-Independent	2 of 4	No.	-	6	-	1	-
Shri C S Mani ³ DIN 00031968.	Non-Executive, Independent.	0 of 1	N.A.	-	-	-	-	-
Prof. Arvind Sahay DIN 03218334.	Non-Executive, Independent.	2 of 4	No.	-	2	2	2	1. IFCI Ltd. Non Executive, Independent. 2. HIL Ltd. Non Executive, Independent.
Shri Sumil Parekh DIN 06992456.	Non-Executive, Independent.	2 of 4	Yes	-	1	-	-	-
Shri Piruz Khambatta DIN 00502565.	Non-Executive, Independent.	4 of 4	No	-	-	-	-	-
Shri Sujit Gulati, IAS, (Retd.) ⁴ DIN 00177274.	Non-Executive, Non-Independent	3 of 3	No	-	-	-	-	-
Shri B. B. Bhayani ⁵ DIN 07438543.	Non-Executive, Non-Independent	1 of 1	N.A.	-	1	-	1	-
Smt. Gauri Kumar, IAS(Retd.) ⁶ DIN 01585999.	Non-Executive, Independent -Woman Director.	N.A.	N.A.	-	1	-	-	Gujarat Mineral Development Corporation Ltd. Non-Executive, Independent.
Shri M S Dagur, Managing Director DIN 01622222.	Promoter, Executive, Non-Independent.	4 of 4	Yes	-	1 ⁷	-	-	-

1 Ceased to be Director and Chairman w.e.f. from 06.12.2019.

2 Appointed as Director and Chairman w.e.f. 13.12.2019.

3 Ceased to be Director w.e.f. 22.07.2019.

4 Ceased to be Director dated 30.01.2020.

5 Appointed as w.e.f 11.02.2020.

6 Appointed as Additional Director (Independent Category) w.e.f 30.03.2020

7 Includes Gujarat Ncode Solutions Ltd., the wholly owned subsidiary of the Company, the formalities for Striking off Name of the said Company from the records of Registrar of Companies (RoC), MCA is under progress.

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Core Skills / Expertise / Competencies available with the Board

The Board comprises of highly qualified members, who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

Following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

Core Skills / Competencies / Expertise	Shri Anil Mukim, IAS	Smt. Mamta Verma, IAS	Prof. Arvind Sahay	Shri Sunil Parekh	Shri Piruz Khambatta	Shri B. B. Bhayani	Smt. Gauri Kumar, IAS (Retd.)	Shri M S Dagur
Knowledge.	✓	✓	✓	✓	✓	✓	✓	✓
Behavioral Skills.	✓	✓	✓	✓	✓	✓	✓	✓
Strategic thinking and decision making.	✓	✓	✓	✓	✓	✓	✓	✓
Financial Skills.	✓	✓	✓	✓	✓	✓	✓	✓
Technical/Professional skills.	✓	✓	✓	✓	✓	✓	✓	✓
Specialized knowledge to assist the ongoing aspects of the business.	✓	✓	✓	✓	✓	✓	✓	✓

Eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

Information supplied to the Board

Requisite information as specified in Part - A of Schedule II of Regulation 17 of the SEBI Listing Regulations are made available to the Board of Directors, whenever applicable, for discussions and consideration at the Meeting. Agenda Papers are circulated to Directors in advance so as to have the focused and meaningful discussion at the Meeting. At every Board Meeting, a presentation is made on the matters covering finance, marketing, operations and any other material / significant developments. In case of business exigencies or urgency of matters, resolutions are passed by Circulation and the same are put-up to the Board / Committee in the next Meeting for taking note thereof. Action Taken Report on the decisions taken at the previous Board / Committee Meetings is placed at immediately succeeding Meetings for noting.

As required under the Act and the SEBI Listing Regulations, the Board has constituted mandatory Committees. Meetings of the Committees are held, whenever need arises. Minutes of all Committee Meetings are placed before the Board for taking note thereof.

The Board periodically reviews the compliance reports of laws applicable to the Company as also the steps taken to rectify non-compliances, if any.

Disclosure regarding appointment / reappointment of Director(s)

Information as required under Regulation 36(3) of the SEBI Listing Regulations is annexed to the Notice of AGM.

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members inter alia incorporating the duties of Independent Directors as laid down in the Act. The Board has also laid down the Code of Conduct for Senior Management Personnel of the Company. These Codes set ethical standards for Directors and Senior Management Personnel. Both the Codes are available on Company's website viz. www.gnfc.in All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct. A declaration to this effect signed by the Managing Director for FY 2019-20 is annexed to this Report.

Committees Of The Board

The Committees constituted by the Board play important role on governance structure of the Company. The Committees are in line with the SEBI Listing Regulations, and the Act, as amended. The Minutes of the Committee Meetings are tabled at the next Board Meeting.



Composition of Committees of Directors

Your Company has following Board level Committees :

- A. Audit Committee.
- B. Nomination and Remuneration Committee.
- C. Stakeholders' Relationship Committee.
- D. Corporate Social Responsibility Committee.
- E. Risk Management Committee.
- F. Project Committee.
- G. Human Resource Development Committee.

Various Committees of Directors have been constituted by the Board for making informed decisions in the best interest of the Company. These Committees monitor the activities falling within their respective terms of reference. The Board's Committees are as follows :

A. AUDIT COMMITTEE

Constitution & Composition

Audit Committee seeks to ensure better Corporate Governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities. Audit Committee is constituted in accordance with Regulation 18 of the Listing Regulations read with Section 177 of the Act.

Audit Committee comprises of Four (4) Directors as on 31.03.2020.

Name	Category
Shri Sunil Parekh, Chairman	Non-Executive & Independent Director.
Prof. Arvind Sahay	Non-Executive & Independent Director.
Shri Piruz Khambatta	Non-Executive & Independent Director.
Shri M S Dagur	Managing Director, Executive & Non-Independent Director.

The Company Secretary acts as Secretary to the Committee.

All Members possess good knowledge of finance and accounts.

Terms of Reference

The terms of reference of Audit committee are in line with the SEBI Listing Regulations read with Section 177 of the Act, which, inter-alia, include the followings:

- i. Review of Quarterly and Annual Financial Statements with the Management before submission to the Board for approval;

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- ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- iii. Review of adequacy of Internal Control Systems and procedures;
- iv. Evaluation of internal financial controls and Risk Management Systems;
- v. Review of reports furnished by the Internal Auditors; and
- vi. Reviewing the utilization of loans and / or advances from/investment by the holding company in the subsidiary exceeding Rs.100.00 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Number of Meetings

During FY 2019-20, Four (4) Meetings of the Audit Committee were held with a time-gap of not more than 120 days between any two meetings. The dates on which the said Meetings were held are: 24.05.2019, 13.08.2019, 05.11.2019, and 11.02.2020. Requisite quorum was present for all the meetings.

Attendance at the Meetings

Attendance of each Member at the Audit Committee Meetings held during FY 2019-20.

Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
Shri Sunil Parekh	4	3
Shri Piruz Khambhatta	3	3
Prof. Arvind Sahay	4	3
Shri M S Dagur ¹	4	4

¹ Attended Meeting held on 24.05.2019 as Permanent Invitee. The Board of Directors of the Company at its Meeting held on 29.05.2019 has inducted him as a Member of the said Committee.

Shri Sunil Parekh, who is Chairman of Audit Committee remained present at the AGM of the Company held on 26th September, 2019.

Statutory Auditors, Internal Auditors and Senior Management Personnel also attend the Meetings by invitation. Cost Auditor attend the Meeting by invitation, where the Cost Audit Report is discussed.

The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

B. NOMINATION AND REMUNERATION COMMITTEE

Constitution & Composition

The Board has constituted "Nomination and Remuneration Committee" in compliance with Section 178 of the Act and Regulation 19 of SEBI Listing Regulations. This Committee comprises of Three (3) Directors as on 31.03.2020

Name	Category
Shri Piruz Khambhatta, Chairman	Non-Executive & Independent Director.
Prof. Arvind Sahay	Non-Executive & Independent Director.
Shri Sunil Parekh	Non-Executive & Independent Director.

Terms of Reference

The terms of reference of the Committee, inter-alia, include -

- (i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal; and
- (ii) Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees.
- (iii) Recommend to the Board, all remuneration, in whatever form, payable to senior management (Senior management include core management team one level below the Board of Directors, CFO and Company Secretary).

Number of Meetings and Attendance

During FY 2019-20, one Meeting of the Committee was held on 11.02.2020. Requisite quorum was present for the Meeting.

Performance Evaluation Criteria For Independent Directors

Evaluation of Independent Director shall be carried out by the entire Board in the same way as it is done for other Directors of the Company keeping in view the role and responsibility of Independent Directors as mentioned in Schedule – IV to the Act.

An Independent Director shall also be evaluated on the following parameters:

- (i) Exercise of objective independent judgment in the best interest of the Company.
- (ii) Ability to contribute to and monitor Corporate Governance practices.
- (iii) Adherence to the Code of Conduct for Independent Directors.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution & Composition

The Stakeholders Relationship Committee was constituted in compliance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. This Committee comprises of Three (3) Directors as on 31.03.2020

Name	Category
Shri Sunil Parekh, Chairman	Non-Executive & Independent Director.
Smt. Mamta Verma, IAS	Non-Executive & Non-Independent Director.
Shri M S Dagur	Managing Director, Executive & Non-Independent Director.

Terms of Reference

The terms of reference of the Committee, inter alia, include –

- (i) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered as Registrar & Share Transfer Agent.
- (iv) Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders.

Number of Meetings and Attendance

During FY 2019-20, Twelve (12) meetings of the Committee were held. Dates on which the said Meetings were held are – 01.05.2019, 04.06.2019, 18.07.2019, 23.08.2019, 03.10.2019, 04.11.2019, 22.11.2019, 27.11.2019, 28.11.2019, 13.12.2019, 13.01.2020, 25.02.2020.

No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1.	Shri CS Mani *	1	-
2.	Shri Sunil Parekh	11	9
3.	Smt. Mamta Verma, IAS	12	7
4.	Shri M S Dagur	12	11

* Ceased to be a Member of the Committee w.e.f from 29.05.2019 and resigned from the Board w.e.f. 22.07.2019.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution & Composition

The Corporate Social Responsibility Committee (CSR Committee) was constituted in compliance with Section 135 and Schedule-VII to the Act. This Committee comprises of Four (4) Directors as on 31.03.2020.

Name	Category
Prof. Arvind Sahay, Chairman	Non-Executive & Independent Director.
Shri Piruz Khambatta	Non-Executive & Independent Director.
Shri Sunil Parekh	Non-Executive & Independent Director.
Shri M S Dagur	Managing Director, Executive & Non-Independent Director.

Terms of Reference

The terms of reference of the Committee, inter alia, include –

- (i) Formulation and recommendation to the Board, a CSR Policy indicating CSR projects / programs / activities to be undertaken falling within the purview of Schedule-VII to the Act;
- (ii) Developing the process of monitoring CSR projects / programs / activities stated in CSR Policy from time to time; and
- (iii) Ensuring that the Company spends on CSR Activities, in every financial year, at least 2% of the average Net Profits made during the three immediately preceding financial years in pursuance of its CSR Policy.

Numbers of Meetings & Attendance

During FY 2019-20, one Meeting was held on 24.05.2019. Requisite quorum was present for the Meeting.

E. RISK MANAGEMENT COMMITTEE

Constitution & Composition

Risk Management Committee was constituted at the Board Meeting held on 11th February, 2019 in compliance with the amended Regulation 21 of the SEBI Listing Regulations. This Committee comprises of following Members as on 31.03.2020.

Name	Category
Shri M S Dagur, Chairman	Managing Director, Executive & Non-Independent Director.
Shri Sunil Parekh	Non-Executive & Independent Director.
Shri Piruz Khambatta	Non-Executive & Independent Director.
Shri D.V.Parikh	Member & CFO.
Shri T.J.Lakhmapurkar	Member & CS ¹
Shri A C Shah	Member & CS ²

¹ Ceased to be Company Secretary and Compliance Officer w.e.f. 10th February, 2020.

² Appointed as Company Secretary and Compliance Officer w.e.f. 11th February, 2020.

The Company Secretary also acts as Secretary to the Committee.

Terms of Reference

The terms of reference of the Committee, inter alia, include –

- (i) To implement and monitor the risk management plan and policy of the Company.
- (ii) To assist the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company.
- (iii) Reviewing and evaluating the Company's risk management policy and practices from time to time on need basis.
- (iv) Review of risk assessment and mitigation procedure including review of cyber security risk, which are forever a threat on account of the fast evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.

- (v) Validating the process of risk management and risk minimization.
- (vi) Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issues relating to risk management policy or practices).
- (vii) Reviewing the top risk at function / business unit / Company level and critically examine whether the mitigation plans / procedure are on track or not and whether any interventions are required.

Number of Meetings and Attendance

During FY 2019-20, One (1) Meeting was held on 02.01.2020. Requisite quorum was present for the Meeting.

COMPLIANCE OFFICER

For complying with the requirements of the SEBI Listing Regulations, as also of SEBI (Prohibition of Insider Trading) Regulations, 2015, Shri A C Shah, Company Secretary is the Compliance Officer of the Company.

Shri T.J. Lakhmapurkar ceased to be Company Secretary and Compliance Officer w.e.f. 10th February, 2020 and Shri A C Shah was appointed as Company Secretary and Compliance Officer w.e.f. 11th February, 2020.

INVESTORS' GRIEVANCE REDRESSAL

Shri A C Shah, Company Secretary is the Compliance Officer for resolution of Shareholders' / Investors' complaints. During the financial year ended 31st March, 2020, 11 (Elevean) complaints were received from the Shareholders.

Status of Investor Complaints as on March 31, 2020 as reported under Regulation 13(3) of the SEBI Listing Regulations is as follows:

Complaints pending as on April 1, 2019.	0
Received during the year.	11
Resolved during the year.	11
Pending as on March 31, 2020.	0

The complaints have been resolved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through Statutory/Regulatory bodies.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Due to sudden and unprecedented outbreak of COVID - 19 pandemic and Lockdown situation, a separate Meeting of Independent Directors (IDs), without the attendance of Non-Independent Directors and Members of Management could not be held as required under Schedule IV to the Act read with Regulation 25(3) of the SEBI Listing Regulations.

Further, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 11/2020 dated 24-03-2020, in order to focus on taking necessary measures to address the COVID-19 threat, including the economic disruption caused by it and with the purpose of reducing compliance burden and other risks, has clarified that for the F.Y. 2019-20, if the IDs of the Company have not been able to hold a Meeting during the said FY 2019-20, the same shall not be viewed as violation.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

A system is in place to familiarize the Independent Directors about the Company by providing a Director's pack covering the details about the Company such as operational and financial highlights, various Plants with installed capacity and products manufactured by the Company, CSR activities, etc., their role, rights and responsibilities, nature of industry in which the Company operates, business model of the Company, etc. While considering quarterly and Annual Financial Results, a presentation is made to the Audit Committee and the Board of Directors, inter-alia, covering operational and financial performance of the Company.

The familiarization programme is disclosed on the Company's website and can be accessed at web link - <https://www.gnfc.in/PDFandWORD/Familiarisation-of-IDs.pdf>

REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL / SR. MANAGEMENT PERSONNEL AND PERFORMANCE EVALUATION OF DIRECTORS

The Board has approved "Nomination, Remuneration & Evaluation Policy" based on the recommendation of Nomination & Remuneration Committee. The said Policy, inter alia, deals with composition and functioning of Nomination & Remuneration

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Committee, procedure for selection and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP), remuneration to Directors, KMP and SMP, performance evaluation of Directors, Board Diversity and criteria for performance evaluation of Directors.

The Company has in place various grades for the purpose of remuneration to its employees including Senior Executives. KMP and SMP draw the remuneration of their respective grade and as per the terms and conditions of their appointment.

Details of remuneration paid to Directors

Managing Director

In exercise of the powers vested under Article 136 of the Articles of Association of the Company (AoA), the Government of Gujarat (GoG) had vide its Notification No. AIS/35.2018/24/G dated 12.07.2018 nominated Shri M.S. Dagur, Additional Chief Secretary, as Managing Director (MD) on the Board of Directors of the Company effective from 16.07.2018 for a period of two years.

GoG has vide its - (i) Resolution No.GNF/11-2001/2476/E dated 13/8/2018 prescribed and notified the terms & conditions of foreign services of Shri M.S. Dagur as MD of the Company for the period from the date of assumption of charge to the date of his superannuation i.e. from 16/7/2018 to 31/7/2018; and (ii) Resolution No.AIS/35.2018/ 466051/G dated 28/8/2018 prescribed and notified the terms & conditions of appointment of Shri M.S. Dagur as MD of the Company post retirement i.e. from 01/08/2018 to 15/07/2020. The said terms and conditions of appointment were approved by the Shareholders of the Company at its 42nd Annual General Meeting (AGM) held on 29th September, 2018.

Non-Executive Directors

Remuneration of Non-Executive Directors (NEDs) is decided by the Board of Directors. NEDs are paid remuneration only by way of Sitting Fees for attending Board or Committees Meeting(s). They were paid sitting fees @ Rs.15,000/- per Meeting attended by them during FY 2019-20.

Details of Sitting Fees paid to NEDs during FY 2019-20.

Sr. No.	Name of Director	Sitting Fees Paid (Amount in Rs.)
1.	Dr. J.N. Singh, IAS (Retd.) ¹	45,000/-*
2.	Shri Anil Mukim, IAS ²	15,000/-*
3.	Smt. Mamta Verma, IAS	1,80,000/-*
4.	Shri Sujit Gulati, IAS (Retd.) ³	60,000/-*
5.	Shri C.S. Mani ⁴	15,000/-
6.	Prof. Arvind Sahay	1,20,000/-
7.	Shri Sunil Parekh	3,45,000/-
8.	Shri B B Bhayani ⁵	15,000/-
9.	Shri Piruz Khambatta**	NIL
* Amount deposited in Government Treasury. ** Opted not to receive Sitting Fees. 1. Ceased to be Director & Chairman w.e.f. 6.12.2019 2. Appointed as Director & Chairman w.e.f. 13.12.2019 3. ceased to be Director w.e.f. 30.01.2020 4. Ceased to be Director w.e.f. 22.07.2019 5. Appointed as Director w.e.f. 11.02.2020		

Equity shares held in the Company by Non-Executive Directors

None of the Non-Executive Directors held the Company's equity shares as on 31st March, 2020. The Company has not issued any convertible instruments. Besides, the Company has also not granted any Stock Option to its Directors.

General Body Meetings

(a) Annual General Meeting (AGM)

During the preceding three years, the Company's AGM were held at the Registered Office of the Company at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O.: Narmadanagar – 392 015. Dist.: Bharuch. The date and time of AGMs held during last three years and the Special Resolutions passed thereat are as follows:

Year	Date of AGM	Time	Special Resolution Passed
2018-19	26/09/2019	11.30 AM	-----None-----
2017-18	29/09/2018	11:00 AM	(i) Re-Appointment of Shri Sunil Parekh as an Independent Director. (ii) Re-Appointment of Shri Piruz Khambatta as an Independent Director.
2016-17	29/09/2017	11:30 AM	(i) Re-Appointment of Shri C.S. Mani as an Independent Director. (ii) Re-Appointment of Prof. Arvind Sahay as an Independent Director.

All the resolutions moved at the last Annual General Meeting were passed with requisite majority.

(b) Extra-ordinary General Meeting

No Extra-ordinary General Meeting of Members was held during FY 2019-20.

Postal Ballot

No postal ballot was conducted during FY 2019-20. No resolution is proposed to be passed through postal ballot at the forthcoming AGM.

DISCLOSURES

Related Party Transactions

The Company has formulated a Policy on Related Party Transactions (RPT Policy) which is available on the Company's website and can be accessed at web link - <http://www.gnfc.in/PDFandWORD/Related-Party-Transactions-Policy.pdf>

During FY 2019-20, the Company has not entered into any contract / arrangement / transaction with Related Parties, which could be considered material in accordance with the RPT Policy. In terms of the omnibus approval granted by the Audit Committee, a Statement in the summary form of transactions with Related Parties, which are routine and repetitive in nature, in the ordinary course of business and on arm's length basis is periodically placed before the Audit Committee for review and approval. None of the transactions with Related Parties were in conflict with the Company's interest.

GOVERNANCE OF SUBSIDIARY COMPANIES

The Minutes of the Board Meetings of the subsidiary along with the details of significant transactions and arrangements entered into by the subsidiary company are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company.

Accounting treatment

The Company has followed Indian Accounting Standards (Ind AS) in preparation of the Financial Statements for F.Y. 2019-2020 as per the road map announced by the Ministry of Corporate Affairs, (MCA), Government of India. The Significant Accounting Policies, which are consistently applied are set out in the Notes to Financial Statements.

Details of Non-compliance

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards except relating to appointment of Independent Woman Director and the fine imposed by BSE and NSE was paid by the Company. On 30th March, 2020 Smt. Gauri Kumar, IAS (Retd.) is appointed as Additional Director (Independent Category) w.e.f. 30.03.2020.

There has been no penalty / stricture imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during last three financial years, except for the matter mentioned hereabove.

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Risk Management

The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism. Risk Management Report is periodically reviewed by the Audit Committee / Board of Directors.

Reconciliation of Share Capital Audit

A qualified Practising Company Secretary carried out Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical mode and the total number of dematerialized shares held with NSDL and CDSL. Such Quarterly Reports are submitted to BSE and NSE within thirty (30) days from the end of each quarter and also placed before the Board for noting.

Code of prevention of Insider Trading Practices

The Company has in place a Code of Conduct for Prevention of Insider Trading under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. With a view to regulate trading in securities by the designated persons, the Code lays down the guidelines, which advises the designated persons, on the procedures to be followed and disclosures to be made by them, while dealing in the Company's shares and cautioning them of the consequences of violations, if any.

The Company has adopted the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information", as required under the said Regulations.

Vigil Mechanism Cum Whistle Blower Policy

The Company has in place "Vigil Mechanism-cum-Whistle Blower Policy" to provide a formal mechanism to the Directors and Employees to report their genuine concerns about the unethical behaviour, actual or suspected fraud, etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism. During the year, no employee was denied access to the Audit Committee. The Policy is displayed on the Company's Website and can be accessed at link https://www.gnfc.in/PDFandWORD/Vigill-Mechanism-Cum-Whistle%20Blower-Policy_21102014.pdf

CEO / CFO Certification

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director (CEO) and Chief Financial Officer (CFO) have furnished Annual Certification on financial reporting and internal controls to the Board of Directors. They have also furnished quarterly certification on unaudited financial results to the Board under Regulation 33(2) of the SEBI Listing Regulations.

Subsidiary Company

The Company has incorporated a Wholly Owned Subsidiary (WOS) in the name of "Gujarat Ncode Solutions Limited" on 28th February, 2017. The Minutes of Board Meetings of WOS are placed before the Company's Board regularly. Since from the date of incorporation, the said company has not commenced its commercial activities, the formalities for striking off of name of the Company from the Register of the Registrar of Companies, Ministry of Corporate Affairs is under process. The Company does not have any material subsidiary.

Foreign exchange risk and hedging activities

During F.Y. 2019-20, the Company managed the foreign exchange risks and hedged to the extent considered necessary. The Company enters into forward contracts for hedging (including natural hedging) foreign exchange exposures against imports and exports.

Compliance with Corporate Governance Requirements specified in SEBI Listing Regulations

The Company has complied with the requirements of sub-paras (2) to (10) of Part-C to Schedule-V to the SEBI Listing Regulations.

The Company has also complied with Corporate Governance requirements specified in Regulations 17 to 27 (except w.r.t. to appointment of Independent Woman Director) and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosures have been made in this Corporate Governance Report. No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of SEBI Listing Regulations.

A Certificate as to the compliance of conditions of Corporate Governance issued by Practising Company Secretary is appended with this Report.

Management Discussion & Analysis

Management Discussion & Analysis Report forms part of this Annual Report and include discussions on various matters specified under Regulation 34(3) and Schedule-V to the SEBI Listing Regulations.

Means of Communication

The Company has its own functional website viz., www.gnfc.in, which provides various information about the Company. A separate dedicated section on "Shareholders" contains useful information and allows the investors to access the same. The Quarterly, Half-yearly and Annual Financial Results are regularly submitted to the Stock Exchanges, published in prominent English and Gujarati daily news-papers and are displayed on the Company's Website. The quarterly Shareholding Pattern, Corporate Governance Report, Annual Reports, official press releases and significant developments, if any, about the Company and other information as required to be disclosed under Regulation 30 (8) and 46 of SEBI Listing Regulations are also displayed on the Company's Website.

All disclosures like Shareholding Pattern, Corporate Governance Report, Financial Results, etc., are filed with BSE and NSE electronically on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promote diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has constituted Internal Complaints Committee to redress the complaint(s).

The Details of the complaints

No. of Complaints filed during the financial year.	1
No. of Complaints disposed off during the financial year.	1
No. of Complaints pending as on end of the financial year.	-

THE FOLLOWING IS THE LIST OF CREDIT RATINGS OBTAINED BY THE COMPANY DURING THE FINANCIAL YEAR 2019-20 :

Nature of Instrument	Current Rating
Fund Based facilities.	(ICRA) AA+ (stable) (pronounced ICRA - Double A Plus)
Non-Fund Based facilities.	(ICRA) A1+ (pronounced ICRA - A One Plus)
Commercial Paper Programme.	(ICRA) A1+ (pronounced ICRA - A One Plus)

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Shri Suresh Kumar Kabra, partner of Samdani Shah & Kabra, Practicing Company Secretaries, Vadodara, has issued a Certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as Annexure 1 to this Report.

STATUTORY REPORTS

CORPORATE GOVERNANCE

COMPLIANCE

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the SEBI Listing Regulations for the F.Y. 2019-20.

Adoption of Discretionary requirements

The following non-mandatory requirements under Part E of Schedule II to the SEBI Listing Regulations to the extent they have been adopted are mentioned below:

- i. Non-Executive Chairman's Office: Chairman's Office is separate from that of the Managing Director.
- ii. Shareholders' Rights: The quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's Website.
- iii. Modified Opinion in Auditors Report: The Company's Financial Statements for the Financial Year ended March 31, 2020 do not contain any modified Audit Opinion.
- iv. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee. They regularly attend the Meetings of the Audit Committee wherein they present their Audit Observations to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

- Day : Tuesday.
- Date : 29th September, 2020.
- Time : 3:00 PM.
- Venue : The AGM of the Company is being held through VC/Othe Audio Visual Means (OAVM). The deemed venue for the 44th AGM will be the Registered Office of the Company, at P.O. Narmadanagar - 392 015, District: Bharuch.

Financial Year : 1st April to 31st March.

Financial Calendar : (Tentative)

Results for the Quarter ending on	Announced / will be announced by
30th June, 2020.	31st August, 2020.
30th September, 2020.	14th November, 2020.*
31st December, 2020.	14th February, 2021.*
31st March, 2021.	30th May, 2021.*

* These are indicative dates subject to change as per the MCA Circular(s) that may be issued from time to time.

Books Closure

Closure of Register of Members and Share Transfer Books : Monday, the 24th August, 2020 to Friday, the 28th August, 2020 (Both days inclusive).

Dividend Payment Date : Dividend @ 50% i.e. Rs.5/- per equity share of Rs.10/- each fully paid up will be paid on or after 7th October, 2020, subject to approval by the Shareholders at the Annual General Meeting.

Corporate Identity No. (CIN) : L24110GJ1976PLC002903

Listing :

Equity shares of the Company are presently listed with the following two Stock Exchanges:

1) National Stock Exchange of India Limited (NSE).

Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;

2) BSE Limited (BSE).

PJ Towers, Dalal Street, Mumbai - 400 001.

Listing Fees to Stock Exchanges

The Company has paid Annual Listing Fees to NSE and BSE for F.Y. 2020-21.

Custodial Fees to Depositories

The Company has paid Custodial Fees to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), for F.Y. 2020-21.

TOTAL FEES FOR ALL THE SERVICES RENDERED BY THE STATUTORY AUDITORS AND ALL ENTITIES IN THE NETWORK ENTITY IN WHICH THE STATUTORY AUDITOR IS A PART, IS GIVEN BELOW.

(Rs. in Crore)

Name of the Statutory Auditor	Total Amount
M/s SRBC & Co. LLP	
Statutory Audit Fee.	0.16
Other Services including reimbursement of expenses.	0.33

OTHER DETAILS

Details of Security

ISIN for the Company's equity shares is: INE113A01013. The Stock Code of Company's equity shares at BSE Ltd., Mumbai is "500670" and at National Stock Exchange of India Ltd., Mumbai, is "GNFC EQ".

Stock Market Price Data

Monthly High & Low of Company's share price on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE), during F.Y. 2019-20 are as follows:

(Amount in Rs.)

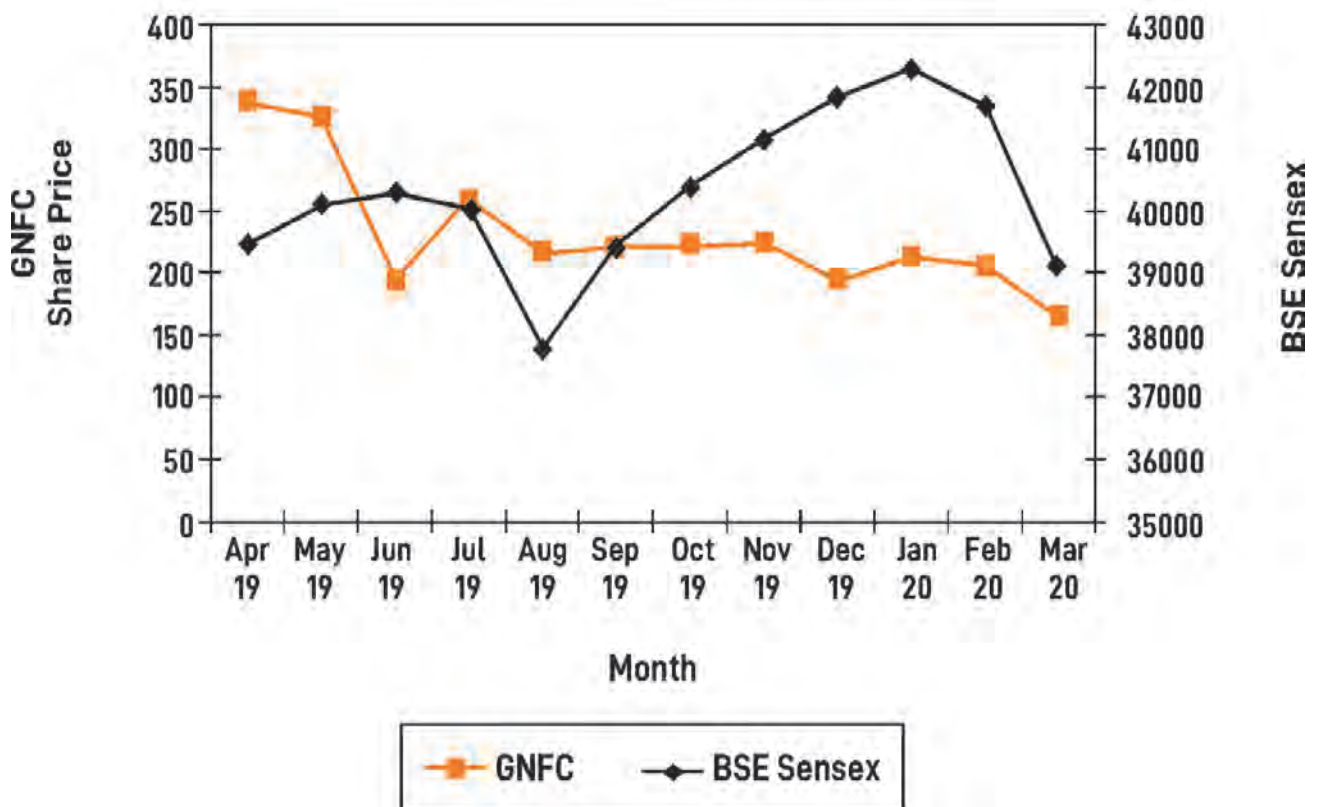
Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April - 2019	337.65	307.00	337.80	307.00
May	325.00	275.70	325.70	276.25
June	294.50	232.60	294.15	232.30
July	258.00	204.10	257.20	204.00
August	216.50	169.00	216.50	168.50
September	220.00	173.20	219.35	173.00
October	223.60	190.00	223.50	190.05
November	224.45	188.25	224.60	188.50
December	194.35	162.45	194.45	163.55
January - 2020	214.95	155.15	214.90	155.00
February	206.00	155.50	206.30	155.10
March	165.90	130.80	168.00	130.50

STOCK PERFORMANCE : 2019-20

STOCK PERFORMANCE VS BSE INDEX

Months	GNFC HIGHEST (In Rs.)	BSE SENSEX HIGHEST
Apr - 2019	337.65	39487.45
May	325.00	40124.96
June	294.50	40312.07
July	258.00	40032.41
August	216.50	37807.55
September	220.00	39441.12
October	223.60	40392.22
November	224.45	41163.79
December	194.35	41809.96
January - 2020	214.95	42273.87
February	206.00	41709.30
March	165.90	39083.17

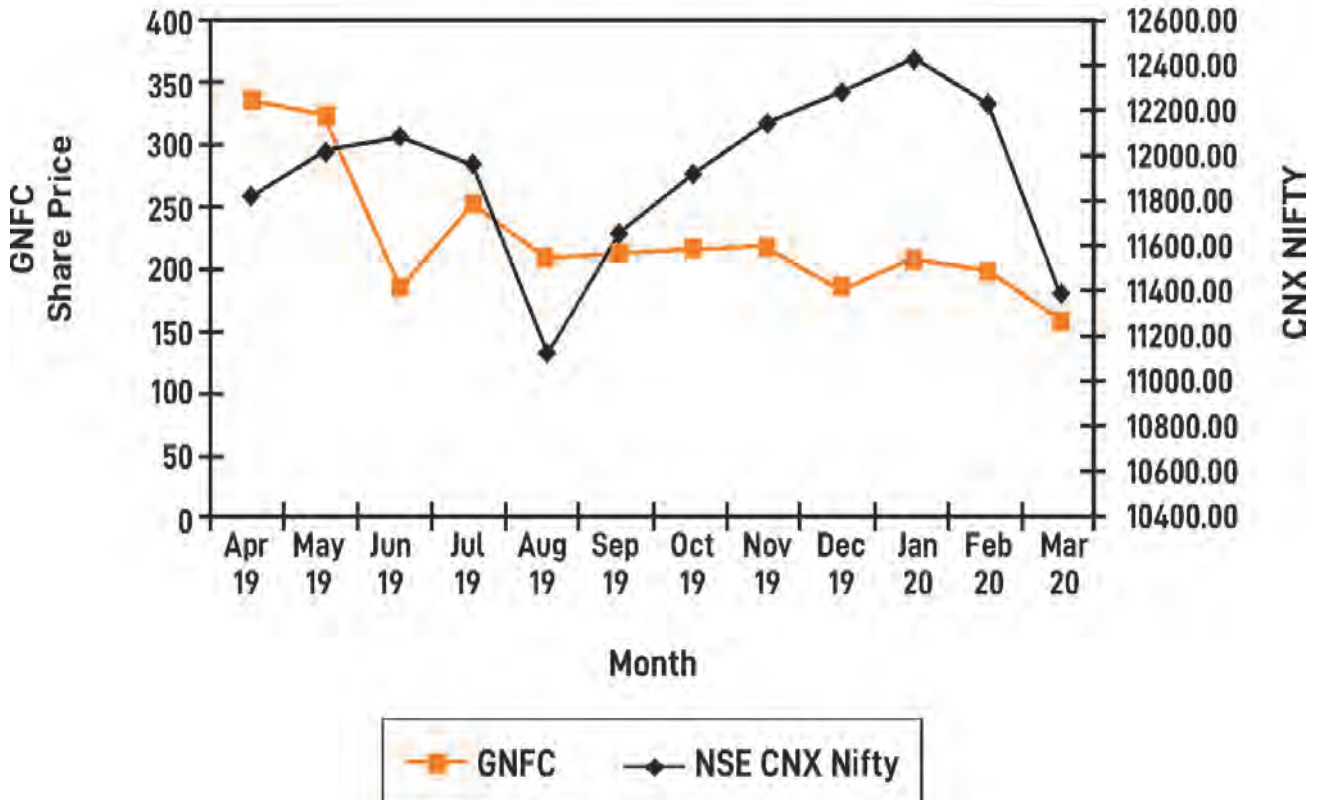
Share Price / Sensex Movement



STOCK PERFORMANCE VS S&P CNX NIFTY

Month	GNFC HIGHEST (In Rs.)	NIFTY HIGHEST
April - 2019	337.80	11856.15
May	325.70	12041.15
June	294.15	12103.05
July	257.20	11981.75
August	216.50	11181.45
September	219.35	11694.85
October	223.50	11945.00
November	224.60	12158.80
December	194.45	12293.90
January - 2020	214.90	12430.50
February	206.30	12246.70
March	168.00	11433.00

COMPARISON WITH S&P CNX NIFTY - NSE



STATUTORY REPORTS

CORPORATE GOVERNANCE

Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate Companies to transfer shares of Members, whose dividends remain unpaid / unclaimed for a continuous period of seven years to the Demat account of the IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with the said IEPF Rules as amended, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously also published notice in newspapers.

In terms of the provisions of IEPF Rules / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs.1.11 Crore of unpaid / unclaimed dividends and 2,66,553 shares were transferred during the financial year 2019-20 to the IEPF Authority.

Investors' Services:

The Company is registered with the Securities & Exchange Board of India (SEBI) as an in-house Share Transfer Agent - Category - II. Entire work relating to registration of physical transfer of shares as well as dematerialisation / rematerialisation of securities is handled by the Company in-house.

Share Transfer System:

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical mode are requested to consider converting their holdings to dematerialized mode. Transfer of equity shares in electronic mode are effected through the Depositories through Depository Participants (DPs) with no involvement of the Company.

The complaints received from the Investors and other miscellaneous correspondence regarding change of address, particulars of bank account, dividend payment mandate etc. are processed generally within fifteen days from the receipt of requisite documents.

The Board has delegated the authority for approving transfer / transmission of shares, etc. to Company Secretary. A summary of transfer / transmission of shares, etc. so approved by the Company Secretary is placed before the Stakeholders Relationship Committee. The Company Secretary in Practice, has issued a half yearly Certificate to the effect that all share certificates have been issued within thirty days of the date of lodgment of transfer, sub-division, consolidation and renewal, as required under Regulation 40(9) of the SEBI Listing Regulations and the Company has filed a copy of the said Certificate with BSE and NSE.

DISTRIBUTION OF SHARE HOLDING AS ON 31st MARCH 2020.

Sr. No	Category of Equity Shares	No of Share holders	% to total Share holders	No of Shares	% to Total Equity Capital
1	1 to 250	210339	89.22	14852606	9.57
2	251 to 500	14129	5.99	5336277	3.43
3	501 to 1000	6291	2.68	4917607	3.16
4	1001 to 2000	2607	1.11	3955937	2.55
5	2001 to 3000	871	0.37	2228621	1.43
6	3001 to 4000	380	0.16	1375338	0.88
7	4001 to 5000	292	0.12	1378714	0.89
8	5001 to 10000	434	0.18	3158287	2.03
9	10001 and above	407	0.17	118215396	76.06
	Total	235750	100.00	155418783	100.00

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2020.

Sr. No	Category of Shareholders	Total No. of Shares	% of Total Equity Capital
1	Promoters & Promoters Group.	64006713	41.18
2	Mutual Funds & UTI.	4906244	3.16
3	Banks/ Financial Institutions & Insurance Companies.	17990313	11.58
4	Foreign Institutional Investors (FIIs).	600	0.00
5	Foreign Portfolio Investors (FPIs).	19208302	12.36
6	NRIs / OCBs.	3298196	2.12
7	Bodies Corporates.	4179935	2.69
8	Co-operative Societies.	327647	0.21
9	Indian Public.	39079681	25.14
10	Shares In Pool A/c (As reported by Depositories).	389040	0.25
11	IEPF A/C.	2032112	1.31
	Total	155418783	100.00

Dematerialization of Shares & Liquidity:

As on 31st March, 2020, 95.68% of the shares were held in dematerialized mode and remaining shares in physical mode. As notified by the SEBI, the equity shares of the Company are permitted to be traded only in dematerialized mode.

Non-resident Shareholders:

The non-resident shareholders are requested to notify the followings to the Company in respect of shares held in physical mode and to their Depository Participants (DPs) in respect of shares held in dematerialized mode:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;
- Particulars of Bank Account maintained with a Bank in India, if not furnished earlier;
- RBI permission reference number with date to facilitate credit of dividend in their bank account.

Shares held in "Unclaimed Suspense Account":

Statement showing the details of delivery of unclaimed shares given to shareholders during the period from 1st April, 2019 to 31st March, 2020 as per Clause 39(4) of the SEBI Regulations and also aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31.03.2020:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	705	40808
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	15	495
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	15	495
(iv)	No. of Shares liable to be transferred to IEPF Authority Demat A/C as per IEPF Authority Rules and hence transferred on Date 10-12-2019.	128	4328
(v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	562	35985

STATUTORY REPORTS

CORPORATE GOVERNANCE

Notes :

1. All corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall also be credited to such Unclaimed Suspense Account.
2. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
3. This Account is being held by the Company purely on behalf of the shareholders entitled for their unclaimed shares.

Outstanding GDRs:

The Company has delisted Global Depository Receipts (GDRs) from Luxembourg Stock Exchange, Luxembourg and terminated the Depository Agreement with the BNY Mellon. As on 31st March, 2020, no GDRs were outstanding.

Plant Locations :

All the manufacturing Plants of the Company are located at the Registered Office situated at P.O.: Narmadanagar - 392 015, Dist.: Bharuch. The Company has set up a 50,000 MTPA TDI-II Plant at P.O.: Dahej - 392 130, Taluka - Vagra, Dist.: Bharuch.

Activities in the area of Information Technology (IT) are being carried out at the Registered Office as also at GNFC Infotower, 3rd Floor, Bodakdev, Gandhinagar-Sarkhej Highway, Ahmedabad - 380 054 and at GIFT City, 14th Floor, GIFT One Road, 5-C Zone-5, Gandhinagar - 382 355.

Address for Correspondence:

All correspondence relating to Company's shares should be forwarded to:

Investor Service Centre

Secretarial & Legal Department.

Gujarat Narmada Valley Fertilizers & Chemicals Ltd.

'Narmada House', Corporate Office,

P.O.: Narmadanagar - 392 015, Dist.: Bharuch.

Phone: 02642 - 247002 (Extn: 2208), 02642-202227/202240/202282/203755.

Telefax: 02642 - 247084, E-mail: investor@gnfc.in

Exclusive E-mail ID for redressal of Investors' Complaints

The Company has designated E-mail ID "investor@gnfc.in" exclusively for the purpose of registering complaints by the Investors.

Declaration regarding compliance of Company's Code of Conduct by the Board Members and Senior Management Personnel.

In accordance with the SEBI (LODR) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with their respective Code of Conduct as adopted by the Board of Directors of the Company, for the Financial Year ended 31st March, 2020.

Sd/-

M.S.DAGUR

MANAGING DIRECTOR

Place: Bharuch.

Date: 14.07.2020