

CORPORATE GOVERNANCE REPORT

I. Company's philosophy on Corporate Governance

Effective corporate governance practices constitute the 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 stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Company's culture and ethos.

Chemtech Industrial Valves Limited has a strong legacy of fair, transparent and ethical governance practices. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. The Company not only adheres to the prescribed corporate practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but is constantly striving to adopt emerging best practices worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

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

II. BOARD OF DIRECTORS:

a) Composition of Board:

We believe that our Board needs to have an appropriate mix of executive and independent non-executive directors to maintain its independence and separate its functions of corporate governance and management. As on March 31, 2019, our Board comprises of 10 Directors; consisting of 5 Executive Directors, including the Chairman and 5 Non- Executive & Independent Directors.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors is related to each other except Mr. Harsh badkur, Mrs Namrata badkur, Mr. Pradeep badkur and Mr. Puneet Badkur. 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 Act along with rules framed thereunder. In terms of Regulation 25(8) of 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 and that they are independent of the management.

The composition of the Board is as under:

Sr. No.	Name of the Director	Category	Directorship and Chairmanship/Membership of Board Committees in other listed/public		
			Director	Committee Member	Committee Chairman
1	Pradeep Shikharchand Badkur	Chairman and Executive Director	Nil	Nil	Nil
2	Harsh Pradeep Badkur	Managing Director	Nil	Nil	Nil
3	Ignatious David	Whole-Time	Nil	Nil	Nil
4	Namrata Pradeep Badkur	Executive Director	Nil	Nil	Nil
5	Puneet Pradeep Badkur	Executive Director	Nil	Nil	Nil
6	Parimal Mehta	Independent and Non- Executive	Nil	Nil	Nil
7	Niranjay Amritlal Choudhary	Independent and Non- Executive	Nil	Nil	Nil
8	Rajnikant Hemchandra Panday	Independent and Non- Executive	Nil	Nil	Nil
9	Amitabh Rameshchand Luhadia	Independent and Non- Executive	Nil	Nil	Nil
10	Santosh Rajoriya	Independent and Non- Executive	Nil	Nil	Nil

b) Number of meetings of the board of directors held and dates on which held, attendance of the Directors at the Board Meeting and last Annual General Meeting, number of other board of directors or committees in which a directors is a member or chairperson and Separate Meeting of Independent Director:

In the year 2018-2019, 8 (Eight) Meetings of the Board were held. The intervening period between two Board meetings was well within the maximum time gap of four months prescribed in Regulation 17 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of attendance of each Director at the Board Meetings and last Annual General Meeting are as under

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance in last AGM held on September 28, 2018
Pradeep Shikharchand Badkur	8	8	Yes
Harsh Pradeep Badkur	8	8	Yes
Namrata Pradeep Badkur	8	8	Yes
Ignatious David Chittatukarakaran Inasu	8	8	Yes
Niranjay Amritlal Choudhary	8	2	Yes
Rajnikant Hemchandra Panday	8	2	Yes
Amitabh Rameshchand Luhadia	8	4	Yes
Puneet Pradeep Badkur	8	8	Yes
Santosh Rajoriya	8	2	Yes
Parimal Mehta	8	3	Yes

A separate Meeting of Non Executives Directors of the Company, without the attendance of executives and Non Independent Directors and members of the management was held on 14th August, 2018 and inter alia, the following points were discussed:-

- The performance of Non Independent Directors and Board as a whole.
- The performance of the Chairperson of the Company taking into accounts the views of Executives Directors and Non executives Directors
- The quality, quantity and timeliness of flow of information between the Company management and Board that necessary for the Board to effectively and reasonably perform the duties.

Mr. Niranjay Amritlal Choudhary, Mr. Rajnikant Hemchandra Panday, Mr. Santosh Rajoriya attended the meeting of the Independent Directors.

c) Number of shares and convertible instruments held by non- executive directors

All the non-executive directors do not hold any equity shares as on 31st March, 2019.
The Company has not issued any convertible instruments.

d) Skills/expertise/competence of the board of directors

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions
Leadership	Extended leadership experience for a significant enterprise, resulting in practical understanding of organisations, Planning succession, long term growth and demonstrated strengths in developing talent
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

e) Familiarization Programme for Non Executive Independent Directors

The company has put in place a familiarization programme for its Non Executive Independent Directors. This programme is aims to provide insights into the company to enable to the Independent Directors in understanding the company business in details and which also facilitates their active participation in the Board matters. The company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the company etc., through various programmes. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the company. The management provides such information either at meeting of the Board or otherwise. Upon appointment, the Independent Directors also receive a Letter of Appointment setting the details, the terms of the appointment, duties and responsibilities. The familiarization policy is available on the website of the company www.chemtechindustrialvalves.com

III. Committees of Board:

1. Audit Committee:

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The Audit committee consists of three members and is chaired by an Independent Director.

Name	Designation	Position	No of Meeting Held	No of Meeting Attended
Mr. Amitabh Luhadia	Independent Director	Chairman	4	4
Mr. Harsh Badkur	Managing Director	Member	4	4
Mr. Niranjay Choudhary	Independent Director	Member	4	2
Mr. Santosh Rajoriya	Independent Director	Member	4	2

The terms of reference and scope of Audit Committee includes:

- i. To oversee the Company's financial reporting process and disclosure of its financial information.
- ii. To recommend the appointment/removal of Statutory/ fixing of Audit fees and approval of payments.
- iii. To review and discuss with the Auditors on internal control systems and scope of audit, including the observations of the Auditors, adequacy of the internal audit system and major accounting policies.
- iv. To review quarterly, Half-yearly and Annual Financial Statements before submission to the Board of Directors.
- v. Review and monitor the auditors independence and performance, and effective of the audit process.
- vi. Scrutiny of the inter corporate loans and investments
- vii. Valuation of the undertaking or assets of the company, wherever it is necessary:
- viii. Evaluation of the internal financial controls and risk management systems.
- ix. To review the functioning of the Whistle Blower Policy mechanism.
- x. Discussion with statutory auditors before the audit committee, about the nature and scope of the audit as well as post audit discussion to ascertain any area of concern.

During the year, 4 (Four) Audit Committee meeting were held on 30/05/2018, 14/08/2018, 14/11/2018, 06/02/2019.

2. Nomination & Remuneration Committee:

In terms of section 178 of the Companies Act, 2013 & Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee of the Company has been constituted.

The composition of committee is as under:

Name	Designation	Position	No of Meeting Held	No of Meeting Attended
Mr. Amitabh Luhadia	Independent Director	Chairman	4	4
Mr. Rajnikant Panday	Independent Director	Member	4	2
Mr. Niranjay Choudhary	Independent Director	Member	4	2
Mr. Santosh Rajoriya	Independent Director	Member	4	2

The terms of the reference of the Nomination and Remuneration Committee are as follows:

- To formulate the criteria for determine qualification, positive attribute and independence of a director and recommend to the Board a policy, relating to the remuneration of the Director, Key managerial Personnel and other employees.
- To formulate criteria for the evaluation of the Independent Director and the Board.
- To devise a policy on Board diversity.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance the criteria laid down, and recommend to the Board their appointment and their removal.
- To consider and adopt and adhere to the nomination and remuneration policy.

During the year, 4 (Four) meeting were held on 30/05/2018, 14/08/2018, 14/11/2018, 06/02/2019.

The Company has not paid any remuneration or sitting fees to the Non-Executive Directors.

3. Stakeholders Relationship committee :

In terms of section 178(5) of the Companies Act, 2013 & Regulation 20 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Stakeholders Relationship committee has been constituted

The composition of committee is as under:

Name	Designation	Position	No of Meeting Held	No of Meeting Attended
Mr. Rajnikant Panday	Independent Director	Member	4	2
Mr. Niranjay Choudhary	Independent Director	Chairman	4	2
Mr. Pradeep Badkur	Executive Director	Member	4	4

The committee specifically monitors expeditious redressal of Shareholders & Investor Complaints received from Stock Exchanges, SEBI, ROC, etc. relating to transfer/transmission of shares, non- receipt of Dividends, non-receipt of annual reports, dematerialization of shares and other investor related matter. The Committee also monitors transfer and transmission of shares and split and consolidation of share certificates.

During the year, four meeting of Stakeholders Relationship committee were held on 30/05/2018, 14/08/2018, 14/11/2018, 06/02/2019.

The Compliance officer of the Company is Ms. Barkha Deshmukh.

During the year, no complaints were received from the shareholders.

IV. Information on General Body Meetings:

The last three annual General Meeting of the Company were held within the Statutory Time period and the details of the same are as under:

Year	Venue of the meeting	Date	Time	Details of Special Resolution passed
2017-18	105 Hiranandani Indl. Estate, Opp. Kanjur Marg Rly Station, Mumbai- 78	28-09-2018	11.00 A.M.	Appointment of Mr. Santosh Rajaram Rajoriya as an Independent Director of the Company Appointment of Mr. Parimal Rameshchandra Mehta as an

				Independent Director of the Company Re-appointment of Mr. Amitabh Rameshchand Luhadia as an Independent Director of the Company Re-appointment of Mr. Rajnikant Hemchandra Panday as an Independent Director of the Company Re-Appointment of Mr. Niranjay Amritlal Choudhary as a Independent Director of the Company Re-appointment of Mr. Harsh Pradeep Badkur as a Managing Director of the Company Re-appointment of Mr. Ignatious David Chittatukarakaran Inasu as a Whole-Time Director of the company
2016-17	105 Hiranandani Indl. Estate, Opp. Kanjur Marg Rly Station, Mumbai- 78	29-09-2017	11.00 A.M.	Adoption of New Set of Memorandum of Association under Companies Act, 2013 Adoption of New Set of Articles of Association under Companies Act, 2013 Place of Keeping and Inspection of Registers, Returns, etc
2015-16	105 Hiranandani Indl. Estate, Opp. Kanjur Marg Rly Station, Mumbai: - 400078	30-09-2016	11.00 A.M.	Nil

No special resolution was passed last year through postal ballot.

V. MEANS OF COMMUNICATION:

- In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors.
- These Financial Results are normally published in Business Standard (English) and Mumbai Lakshadeep(Marathi).
- These Financial Results are available on website of the company www.chemtechvalves.com
- During the year ended on 31st March, 2019, no presentation was made to institutional investors or analyst or any other enterprise.
- A Management Discussion and Analysis Report is a part of this Annual Report.

VI. General Shareholders Information:

- Date, Time and Venue of Annual General Meeting** 16th September, 2019 at 11.00 a.m. at 105, Hiranandani Industrial Estate, Opp. Kanjurmarg Railway Station, Mumbai – 400 078.
- Financial Calendar (tentative)** 1st Quarter Results : 2nd week of August, 2019
- Dates of Book Closure** 09th September 2019 to 16th September 2019(Both days Inclusive)
- Scrip ID on BOLT system** CHEMTECH
- ISIN No.** INE212P01011

6. **Equity Shares Listed on Stock Exchanges at Registered Office** BSE Limited (BSE)
Exchange Code : **537326**
7. **Registered Office** 105, Hiranandani Ind. Estate, Opp. Kanjurmarg Railway Station, Mumbai – 400078 Telephone No. +91-2225839500 / 8220
Email: www.chemtechvalves.com
8. **Plant location (Factory)** Chemtech Industrial Valves Ltd
Survey No.37, Kondala road, Village Vadavali, Kudus, Taluka Wada, Dist. Palghar - 421312
9. **Registrar and Share Transfer** Bigshare Services Pvt. Ltd.
10. **Share Transfer System** The Company shares are traded in the stock exchange compulsorily in Demat form. The Company's Registrar and Transfer agent is the common agency to look after Demat share work. The shares lodged for the transfer at the registrar or respective depository are processed and returned to shareholders within the stipulated time.
11. **Address For Correspondence** 105, Hiranandani Ind. Estate, Opp. Kanjurmarg Railway Station, Mumbai – 400078

12. **Market Price Data:**

Monthly high and low quotation of shares traded on BSE during the Financial Year 2018-19:

Month	High Price	Low Price	Total number of shares traded
Apr-18	18	14.5	118534
May-18	19.50	18.60	2
June-18	19.50	19.50	2
July-18	19.50	15.10	96404
Aug-18	14.35	8.35	113182
Sep-18	9.64	8.35	1036
Oct-18	10.09	9.61	105
Nov-18	11.66	10.09	312
Dec-18	12.24	10.50	51
Jan-19	10.50	9.98	47
Feb-19	10.40	9.39	25
Mar-19	9.83	8.50	1434

13. **Distribution of Shareholdings as on March 31, 2019**

Share Holding of Nominal Value of Rs. 10/-	No. of shareholders	% of shareholders	No. of Shares	% of shareholding
Upto 5000	143	43.20	20853	0.18
5001-10000	19	5.74	15244	0.13
10001-20000	13	3.93	20962	0.18
20001-30000	6	1.81	16589	0.14
30001-40000	13	3.92	51700	0.45
40001-50000	3	0.91	14110	0.12
50001-100000	79	23.86	622292	5.41
100001 and Above	55	16.61	10725583	93.37
Total				100.00

14. Categories of equity shareholding as on March 31, 2019

Category	Number of equity shares	% of shareholding
Promoters	6519333	56.75
Public	2576743	22.43
Bodies Corporate	2222952	19.35
Clearing members	40005	0.35
Market Maker	128000	1.11
NRI	300	0.00

15. Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on BSE. Equity shares of the Company are fully dematerialized as on March 31, 2019. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE212P01011.

16. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

17. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

VII. Other Disclosures:

- Related party transactions during the year have been disclosed as required under Accounting Standard 19. There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.
- There were no instances of penalties, strictures imposed on the Company by stock exchanges, SEBI, or any statutory authority, on any matter related to the capital markets during the year.
- The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
The Company has duly complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- A certificate has been received from Pooja V Gohil, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

- M/s Raju & Prasad, Chartered Accountants (Firm Registration No. 003475S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

Particulars	Amount
Audit fees	130000
Tax Audit	30000
Other matters	27650

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year: None
 - b. number of complaints disposed of during the financial year: None
 - c. number of complaints pending as on end of the financial year: None
- Discretionary requirements (In pursuance Schedule II Part E of the SEBI Listing Regulations) Office of the Chairman:
Your Company maintain the office of the Chairman at 105, Hiranandani Ind.Estate, Opp. Kanjurmarg Railway Station, Mumbai – 400078.

**For and on behalf of the Board of Director
Chemtech Industrial Valves Limited**

Place: **Mumbai**
Date: **13th August, 2019**

sd/-
Pradeep Shikharchand Badkur
DIN- 00036822
Chairman

sd/-
Harsh Pradeep Badkur
DIN- 00676715
Managing Director

**ANNEXURE TO CORPORATE GOVERNANCE REPORT
Declaration regarding affirmation of Code of Conduct**

In terms of requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare and certify that all the Board members and senior management personnel of Chemtech Industrial Valves Limited have affirmed compliance with the code of conduct adopted by the Company for the year 2018-19

**For and on behalf of the Board of Director
Chemtech Industrial Valves Limited
Sd/-**

Place: **Mumbai**
Date: **13th August, 2019**

Harsh Pradeep Badkur
DIN- 00676715
(Managing Director)